

Fertility Matters



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**New certainties
make reducing
high fertility
central to the
war on poverty.**

BY NANCY BIRDSALL AND STEVEN W. SINDING

BY THE END OF THE 20TH CENTURY, we had spent more than four decades debating the consequences of rapid population growth for the economies of poor countries. The role of economists in that debate had mostly been to counsel moderation—in interpreting relationships and in advocating ways to slow population growth.

Even if economists agreed that rapid population growth had negative overall consequences, they generally viewed those consequences as small and short-lived. At the macro level, economists reasoned, societies tend to develop compensating technology and institutions. At the micro level, human behaviour responds to incentives and constraints, and so human beings adjust. For example, if land becomes scarcer, the cost of schooling rises, or a mother's time at work becomes more valuable, the cost of children rises, and parents will naturally decide to have fewer of them.

The logic of moderation seemed broadly supported by technology breakthroughs, such as the high-yielding seed varieties of the Green Revolution that ended the fears of famine of the early 1960s. The adoption of modern contraception in much of the developing world after the mid-1960s was further evidence: it seemed to confirm that sweeping behavioural change was entirely possible, even in this most sensitive area.

The new certainty

By the late 1990s, economists had some new analyses of the nature and depth of demographic change over the preceding 40 years. They saw tremendous variation in speed across countries and regions. Assessing results, they reached a new certainty: rapid population

growth generally hinders economic growth. From that new certainty now comes in turn a realisation that is still not fully appreciated: that reducing fertility where it is high is a critical part of the battle against global poverty.

The verdict seems to be in: for many of the world's poorest countries, a failure to bring down high fertility in the next decade will greatly undermine the chances of reaching the internationally agreed Millennium Development Goals for 2015—not only of reducing poverty substantially everywhere, but of reducing infant and maternal deaths, halting the AIDS pandemic and ensuring that all children complete primary school.¹

Why is reducing high fertility critical to reducing poverty and achieving other goals? The evidence falls into two broad categories: the public and the personal. At the public or macro level, reducing population growth can stimulate more rapid economic growth for a community and a society. At the family or micro level, the right and ability to choose fewer children is deeply entwined with prospects for improved personal well-being.

The demographic bonus

Sustained economic growth is not enough to guarantee that any country will escape from poverty, but it is clearly necessary. The 40 or so countries with the worst poverty are also those that have failed to grow economically at all in the last two decades. The high fertility rates in Africa, Central America, and large parts of South Asia—and resulting rapid population growth—have so far deprived those areas of the “demographic bonus” that helped the countries of East Asia enjoy spectacular growth beginning three decades ago.





●●● “Today’s economic disparity can no longer be ignored. It is not enough to merely state that all human beings must enjoy equal dignity. This must be translated into action. We have a responsibility to find ways to achieve a more equitable distribution of the world’s resources”.

— **HIS HOLINESS THE XIVTH DALAI LAMA**

In East Asia, rapid fertility decline began in the 1960s, creating an unusually high ratio of workers to children in the 1970s and 1980s. In Korea, Taiwan, Singapore and then Malaysia, many workers, combined with stable and sensible economic policies, brought rapid increases in agricultural and industrial output. Rising incomes and smaller families boosted savings rates, helping finance high investment and growth. Economists have attributed between one-third and one-half of the “extra” growth of these economies in that period to this temporary but large “demographic bonus”.

The flip side of East Asia’s demographic bonus miracle is the demographic poverty trap elsewhere that seems to have caught many poor countries for the last two decades. Persistently high fertility levels have combined with modest declines in mor-

tality in much of sub-Saharan Africa and in some regions of South Asia and Central America to ensure high rates of population growth. This has made it even tougher to trigger economic transformation in settings that already bear high burdens of disease, poor soils and limited access to domestic markets, let alone global ones.

The disease burden is most dramatically illustrated in Africa, where the AIDS pandemic is devastating most countries’ productive capacity and their already fragile education and health infrastructure. The loss of life among skilled workers, teachers and doctors, even while high rates of childbearing continue, is a terrible reversal of the demographic bonus. In those settings, rapid population growth contributes to stagnant or falling agricultural productivity, growing environmental degradation, and

Photo by Curt Carnemark/The World Bank.

low levels of investment in the health and education of children.

Escaping the poverty trap

The resulting poverty trap has reinforced initial disadvantages rather than triggering the compensating or equilibrating mechanisms that earlier economic models assumed. A stark example is Haiti, where population pressures have led to massive degradation and erosion of soils through deforestation, even though out-migration is high.

The mechanisms that raise the cost of children (inducing parents to reduce the number they have and invest more in each) all ultimately depend on the effective workings of:

- Markets, so that the poor can borrow from a viable capital pool to buy land or send their children to school;
- Governments, so that roads and schools are available and teachers show up; and
- Institutions, so that property rights exist and judicial systems support shifts in social norms that open formal workplaces to women.

It does not matter whether these markets and institutions fail to emerge because of bad luck, bad history or the mistakes of past or current rulers or political leaders. Where they are absent, a vicious downward cycle results—of poverty, high fertility and low productivity. The society then cannot develop the markets and institutions on which escape from the demographic poverty trap ultimately depends.

The trap can be sprung. Policies and programmes that help pry it open include elimination of fiscal abuse and corruption that reduce the gains to the poor from their labour; land reform and introduction of new agricultural methods and technologies; women's empowerment via access to micro-credit and other reforms; and new roads opening new markets. All of

these will be far more effective far more quickly if they are complemented by targeted and purposeful investments to speed the transition of communities and societies to smaller families.

Among such investments, the most important are *education for girls* and information about and access to *modern family planning* methods for adult women and men.

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Reversing the cycle

The path from higher national economic growth to less poverty is indirect and not always reliable. In many countries, the poor have not shared equally in society's overall gains. However, along with our evidence that high fertility slows growth at the "macro" or society-wide level, we now have evidence that it works at the "micro" or family level as well.

Keeping the child count low improves the lives of poor families—directly and immediately. The benefits include maximising the income available for food and shelter, eliminating the constant risk of poor health and death for young mothers and their infants, and changing the lifetime opportunities of girls and young women.

Studies in a number of countries and across nations have shown that reductions in family size lead to plummeting numbers of people living in poverty. In Brazil, for example, the proportion of the population living below the poverty line is today some 12 percentage points lower than it would have been if the birth rate had not declined.

The vicious cycle of high fertility

and poverty in all its dimensions is just that at the family level—vicious indeed. Low income, poor work options and lack of security are good reasons for poor families to have many children. At the same time, we now know that much high fertility is unsought and unwanted. In some societies men dominate the choice of number of children, without bearing the risks and costs, while women suffer in a culture of fear that frowns on their use of contraception.

We also know that educating girls can dramatically alter their marriage age, their ability to work outside the home, their lifetime income, their own sense of power, the likelihood that they will be exposed to AIDS in an unwanted sexual relationship, and their fertility choices. We have evidence that women who have fewer children and are able to space them suffer less maternal mortality, that fewer of their children die, and

that more of their children go farther in school.

What are we waiting for?

This web of good outcomes need not await dramatic increases in income. It can be triggered—as it was in Bangladesh, Kenya, Indonesia, Thailand, Brazil, Mexico, Colombia, Tunisia, Egypt and many other countries—by the availability of education for girls and modern contraceptive services for their parents.

Recent economic research and analysis leads to the inescapable conclusion that investments that ensure universal access to sexual and reproductive health are highly cost-effective. We now know that such investments—following through on the Cairo and Beijing agendas—are essential to achieving the Millennium Development Goals, including the core goal of poverty reduction.

While such investments cannot be called sufficient alone to achieve the MDGs, there is little remaining doubt about their necessity. It is time we acted on this new understanding.

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The findings and conclusions in this article are drawn from Nancy Birdsall, Allen C. Kelley and Steven W. Sinding, eds., *Population Matters: Demographic Change, Economic Growth and Poverty in the Developing World* (Oxford: Oxford University Press, 2001).


NOTES

1 These are four of the eight Millennium Development Goals (MDGs) endorsed by the community of nations after the United Nations Millennium Development Summit in 2000. The poverty target is likely to be met at the global level because of rapid advances in fast-growing China and India, but without additional resources and policy change, it is unlikely to be met in many of the world's poorer countries. Furthermore, the general view today among development experts is that most, if not all, of the other quantitative MDGs are also unlikely to be achieved.


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