

P. T. BAUER ON THE POPULATION QUESTION

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Peter Tamás Bauer abjured sentimentalism—or at least professed to—but even so, this gathering is an unabashedly sentimental occasion for me. Peter was my professor. He was also my teacher, which is not necessarily the same thing (a distinction that anyone in the academy will appreciate). And he was my friend.

I first met Peter Bauer in October 1977. At the time I was 21, and *very* Left. One of my first courses at the London School of Economics that semester was “The Economic Analysis of Underdeveloped Areas,” co-taught by Bauer and Hla Myint, and further fortified through a few cameo appearances by Basil Yamey.

To put the matter plainly, Peter Bauer was an absolutely *infuriating* professor. At his lectures, he would deliver long and provocative presentations that I *knew* to be wrong—completely wrong, deeply wrong, obviously wrong. The only problem was, I could not figure out how to *prove* they were wrong.

Peter would typically end his lectures with an invitation of sorts: “Now I will entertain any question—no matter how hostile.” I used up my lifetime supply of those invitations in fairly quick order. Then I was faced with a dilemma: either I had to come up with new facts, or get new opinions. Unfortunately, I simply was not able to find the necessary new facts. Bauer the professor, in short, set me up for my downfall. But my road to ruin was further paved by Bauer the man.

Peter was blessed with an absolute and extraordinary generosity of spirit. In my particular case, he went far beyond the call of his official duties in his efforts to help a wrongheaded American student to think a little more clearly. I remember fondly his many kindnesses, though I did not fully understand at the time how utterly unusual those were

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in university life on either side of the Atlantic. There were the wide-ranging chats, at his instigation, in or around his LSE office—Peter’s erudition and acuity were dazzling to me, and he could be screechingly funny when he so chose. Then there were the invitations to Saturday lunches at which some respected policy opinion of the day was devastatingly dissected, always with ample quantities of alcohol, and often with the assistance of interesting new acquaintances. (It was at one of those sessions I first met an upcoming journalist named John O’Sullivan.)

Shortly before the end of my studies at the LSE, Peter invited me out for a farewell. In the course of our conversation, he came around to the issue of my “worldview.” Smiling mischievously, Peter said, “I suspect you are at a point that we describe in economics as ‘unstable equilibrium.’” Of course, he was right, and it’s been downhill—or depending on how one looks at it, uphill—ever since.

Myths and Realities

Bauer did not have much to say about the population question—that is, the “population explosion” and its consequences for living standards and development prospects, especially in low-income areas—until his 1981 book, *Equality, the Third World, and Economic Delusion*. There he delivered a chapter-length essay titled “The Population Explosion: Myths and Realities.” In the introduction to that volume, Bauer (1981: 1) wrote, “The central theme of this book is the conspicuous and disconcerting hiatus between accepted opinion and evident reality in major areas of academic and public economic discourse.” Though he only came to address population issues after three decades of renowned work in other areas, he demonstrated that disjuncture to be every bit as striking as in his other, already acclaimed areas of economic inquiry.

To appreciate the significance of Bauer’s contribution to the population literature, it is first important to recall the climate of academic and public policy discourse on the population question at the time Bauer was writing. By the late 1970s and early 1980s, a worldwide network of activist anti-natal organizations—including private foundations, bilateral foreign aid agencies, multilateral institutions like the United Nations and the World Bank, and a host of recipient groups the world over—were making the case that rapid population growth was having deleterious, or even disastrous, effects in low-income areas, and perhaps even on the world as a whole. Poverty, unemployment, hunger, and social strife were just some of the afflictions the “population explosion” was said to be visiting on a hapless planet.

Anti-natal policies had also been widely embraced—in principle or in practice—by rich and poor governments alike, and a great many eminent personages were warning of the risks of not pursuing even *more* aggressive policies for curbing planetary population growth. Paul Ehrlich—Stanford University biology professor, acknowledged authority on the population patterns of butterflies, and author of the best-seller *The Population Bomb*—flatly stated that “The battle to feed all of humanity is over” (Ehrlich 1968: 11), meaning that we had lost. Robert McNamara, then president of the World Bank (and in an earlier incarnation the progenitor of the doctrine of “mutually assured destruction”), insisted that “The threat of unmanageable population pressures is very much like the threat of nuclear war,” and identified what he termed “rampant population growth” as “the greatest single obstacle to the economic and social advancement of the peoples in the underdeveloped world” (cited in Bauer 1981: 42).

It was not only sometime lepidopterists and practitioners of what we might today term “systems engineering for profit and victory” who held such views. Similar positions were also embraced by respected and even eminent voices within the economics profession. Indeed, no less an authority than James E. Meade, the Cambridge don who would go on to win the 1977 Nobel Memorial Prize in Economic Sciences, had inspected the situation in Mauritius—the island nation off the coast of Africa—in 1961, and discovered a Malthusian tragedy in the making. Surveying that country’s population profile and development prospects, Meade wrote that “for demographic reasons, it is going to be a great achievement if Mauritius can find productive employment for her greatly increased population without a serious reduction in the *existing* average standard of living” (Meade 1961: 534; emphasis added).

A more detailed but no less gloomy elaboration of the same argument was offered by the late Ansley J. Coale, the esteemed Princeton economist and mathematical demographer, who, with his Coale-Hoover model (Coale and Hoover 1958), purported to show that higher birth rates almost necessarily slow the pace of material advance in low-income countries striving to escape from poverty. (The acclaimed and highly influential Coale-Hoover model, taught to me and every other student of population economics back in the 1970s, carefully calculated how much wealth and productivity would be sacrificed—literally eaten up!—by societies where resources were thrown away on extra babies rather than husbanded for investment and growth.)

Peter, of course, would have none of this. He was a deeply educated man. Unlike many in the population field, he was intimately familiar with history, literature, and culture from many diverse

climes. Thanks to that grounding, he knew the doctrine of anti-natal Malthusianism, or neo-Malthusianism, to be patently ahistorical.

Bauer's essay on population, in his 1981 book, begins by reviewing some obvious, but often neglected, facts about poverty and development in the modern era. Many areas of the world—such as Western Europe and North America—had risen to prosperity despite rapid, or even exceptionally rapid, rates of population increase. Some of those newly affluent locales—such as Japan and Hong Kong—moreover, had achieved their wealth despite not only dramatic increases in population, but a manifest scarcity of arable land and a lack of other “natural” resources. Conversely, Bauer reminded us that dreadful poverty could be seen in many parts of the modern world where land and other resources have been abundant, and where population density has been and is quite low—for example, in large parts of Central Africa.

Bauer then moved on to his central critique of the modern anti-natalist doctrine. In his words:

The predictions of doom through population growth rest on the idea that economic achievement, progress and welfare all depend primarily on natural resources, supplemented by physical capital. . . . This neo-Malthusian notion is then supplemented by the very non-Malthusian idea that people in ldc's [less developed countries] have no will of their own and are simply passive victims of external forces: in the absence of Western-dictated pressures, people in the less developed world would procreate heedless of consequences [Bauer 1981: 46].

With this thesis, Bauer scored a direct and devastating hit. Then, as often, he took his time strolling through the rest of his essay, dismantling at leisure those remaining or subsidiary objections that might be lodged against his argument.

Bauer's Critique of Population Models

At the time of Bauer's essay, demographic-economic “growth models” dominated much of the educated discussion of the population question and population policy. Peter was never a devotee of econometrics, nor was he ever awed by complex and elegant mathematical models. In fact, in his work he was always sparing in his use of statistics, possibly because he regarded the wanton introduction of quantitative data as a sign of intellectual laxity, if not just plain bad form. He preferred to do his economic analysis with *words*—and it was with words that he took the measure of, and dispatched, the

profession's prevailing econometric models of rapid population growth.

Peter recognized the critical weakness of those models to be their particular conception of "capital," and their presumption that this same "capital," embodied as "investment," was both the driving engine and the limiting constraint in the process of modern economic growth. His insights here may have been abetted by the important fact that he was trained as an economist in Cambridge, England, rather than Cambridge, Massachusetts:

- Would reduced mortality and improved health help expand the potential for productivity and growth? The answer was clearly "yes"—but longer lives and better health did not count in these models.
- What about improved nutrition and education? Didn't they promote development? In practice, perhaps, but not in theory—these were classified as "consumption," not "investment," in the basic models of the day.
- What about greater opportunities for trade, reduced barriers to movement, or increased scope for the exchange of ideas and information? Wouldn't those sorts of factors have an influence on growth and development? Only in the real world, I'm afraid—not in the "growth models" that purported to depict it.

Reflecting on the fundamental misconceptions built into these efforts at modeling—a set of intellectual inadequacies that he had referred to elsewhere as "the investment fetish" (Bauer 1981: 239–54)—Peter had this to say:

The volume of investible funds is in any case a minor factor in economic development. *Much capital formation takes forms more closely analogous to consumer durables than to instruments for increasing production and promoting further economic growth.* It is unwarranted, further, to assume that the governments of the ldes in question would use investible funds more wisely if they did not have to use them to provide for an expanding population. The investment record of many Third World governments has been deplorable [Bauer 1981: 47; emphasis added].

In these four sentences, Bauer demolished roughly a generation of seemingly sophisticated econometric constructs. No less important, he offered an alternative—and more genuinely sophisticated—conception of the development process to which population forces contribute. Not bad work for half a paragraph.

Development as the Extension of Human Choice

Much of the anti-natal and neo-Malthusian literature reveals an appalling ignorance about real live human beings—especially poor ones. Peter Bauer, on the other hand, paid close attention to human beings. He even realized that human beings mattered in development. This is evident from what he had to say about the nostrums he encountered in the population policy literature:

Much of the discussion of population in the development literature assumes or implies that in the high-fertility ldc's children are somehow uncontrollably visited upon their parents, and that they are to a large extent unwanted burdens on both the parents and on society at large. On the contrary, however, the children who are born are generally desired. Children are at any rate avoidable. To deny this is to suggest that parents in ldc's procreate without an understanding of the consequences or without the will or sense of responsibility to prevent them. This view treats people of the less developed world with altogether unwarranted condescension or contempt [Bauer 1981: 63].

Here again is Bauer (1981: 48) on population patterns and the human condition:

It is sometimes suggested that high birth rates in ldc's, especially among the poorest, result in life so wretched as not to be worth living: over a person's life suffering or disutility exceeds utility. If this were so, fewer such lives would increase the sum total of human happiness today.

Such arguments are not exactly unfamiliar—even today. But Bauer goes on:

This type of reasoning, which implies that external observers are the appropriate judges of the moral and emotional status of others, was often heard in the late nineteenth century and early twentieth century in discussions of the conditions of the poor in Britain. It is inconsistent with both simple observation and with widely accepted ethical notions. Even when people are poor they prefer to live rather than not to live, as is indeed shown by their decision to strive to remain among the living. This is not to say that their lives may not be unhappy, but merely that it is not legitimate to suppose that their lives are not worth living.

Invidious comparisons, I would add, could also be drawn with the concept of *lebensunwertes Leben* (“lives not worth living”) that enjoyed a certain currency in another part of Europe in the early part of the 20th century. But in his argumentation Lord Bauer, while always

ruthlessly honest, was also always a gentleman, and in this case was far too polite to point out such an unseemly fact.

Bauer and his onetime student Amartya Sen are often viewed philosophically as bookends of sorts to one another—with a great space of literature in between them, separating the two. I suspect, even so, that Sen would fully endorse the Bauer arguments I have just quoted. In the preceding passages, and throughout the rest of his life's work, Peter was a fierce and uncompromising defender of the project to “extend the range of human choice.” On this crucial fundamental, I submit, Peter and Amartya were always philosophical *allies*—and always will be.

The Externalities Argument

Of the many arguments adduced for anti-natal policy, perhaps the most sophisticated are those couched in the language of “externalities.” These are the formulations that hold public action to reduce birth rates to be necessary owing to purported discrepancies between the public and private costs of childbearing.

Bauer addressed such objections expressly—and conclusively:

According to this argument . . . taxpayers subsidize parents. Consequently the total number of children is greater than if parents themselves had to bear all or a larger part of the costs. These effects are likely to be more material in the developed than the less developed countries because the public expenditures involved are less significant in the latter. However, the remedy lies in the reduction of these expenditures, or modification of their incidence so that parents of larger families are not so heavily subsidized. Further, the presence of some of these externalities does not depend upon family size. For instance, while a small family may be subsidized by the taxpayers if the children receive publicly financed university education, a much larger family may not be so subsidized if the parents bear the cost of their school education [Bauer 1981: 64].

Interestingly enough, though advocates of anti-natal measures habitually invoke the notion of economic externalities—especially as a means of closing down debate about their preferred policies and approaches—exceedingly little empirical work has actually been undertaken to determine the true magnitudes of those allegedly ominous divergences between the public and private costs of childbearing.

There is, however, a path-breaking empirical study in this area—one conducted in 1990 by the redoubtable economic demographer, Berkeley's Ron Lee, and his colleague Tim Miller. By their estimations, the economic externalities associated with childbearing in

the United States (1985) were strongly *positive*, while the externalities for Bangladesh (1980) and Kenya (1986)—countries often portrayed as virtual case studies of “the population problem”—were very close to zero. Substantial negative externalities were indeed reckoned for some low-income, high-fertility countries, such as Saudi Arabia (1986) and India (1981)—but those outcomes were due entirely to the presumed dilution through additional births of the average claim to the country’s underground repositories of mineral wealth. Subsequent work has refined the initial Lee-Miller calculations, but it has not dramatically altered the results. So much, indeed, for “externalities” and the population question.

The Changing Intellectual Tide

In retrospect today, what can we say about Bauer’s assessment of the population question? To begin, we can acknowledge that from an intellectual standpoint—here as in so many other once hotly contested areas of economic analysis—Bauer has largely won the argument, and is widely recognized as having done so.

In this particular struggle, of course, Peter was not alone—nor was he obviously the most important voice. The signal contribution to clearer economic thinking from other luminaries must also be noted here—among them, Simon S. Kuznets, Theodore W. Schultz, and Julian L. Simon. Academic and policy thought about the population question was also subtly but significantly influenced by a 1986 study from the U.S. National Academy of Sciences on population and development, which held that the negative effects of population growth on productivity and growth had been seriously exaggerated in much of the demographic and development literature.

The changing intellectual tide was also affected by political events, most notably, the Reagan-Thatcher conjunction. With this alignment, the most important governments in the English-speaking world came to treat anti-natal Malthusianism, or neo-Malthusianism, for the doctrinaire nonsense it was. (One should never underestimate the salutary impact that a government can have on public thinking by simply *ceasing* to spout nonsense on some given topic.)

No less important, however, were the facts on the ground. Over the past two decades, brute empirics have forced a gradual recognition that considerable material progress *was* indeed occurring in most of the low-income expanse, often despite relatively high birth rates or rates of natural increase. Sub-Saharan Africa, to be sure, remains a tragic and terrible exception to that generalization, but it is just that, an exception.

Since Peter Bauer wrote on the population question, a shift in anti-natal argumentation has been evident. Broadly speaking, advocates have moved away from traditional Malthusianism or neo-Malthusianism, and have come instead to embrace what might be termed “environmental Malthusianism.” No longer is the argument that population growth will untether the Horsemen of the Apocalypse *simpliciter* but, instead, that rising demands upon the planetary ecosystem will result in catastrophic overshoot and collapse of the natural global systems that sustain us all.

By itself, this argument should be seen as at least inherently plausible, and thus should be taken seriously. But to be taken seriously, it must be investigated empirically—and this is self-evidently a more complex and demanding proposition than the erstwhile Malthusian task of calculating the per capita availability of, say, bread.

In retreating to the parapets of “eco-disaster,” anti-natal Malthusianism has adopted what Sir Karl Popper would have called defensive “immunizing tactics or stratagems” for protecting the cherished doctrine against testability—and thus against possible falsification. Peter would have recognized the approach as a “hydra-headed rationalization” (Bauer 1981: 86–134)—much like the devices he had elsewhere identified and described in the hands of convinced proponents of foreign aid.

In hindsight, finally, we must acknowledge that there is one area in which Peter Bauer’s consideration of the population question proved to be wrong. Looking to the future, Bauer (1981: 54) wrote:

The unambiguous prediction can be made with some confidence that over the next decade or two the rate of population growth of the less developed world is unlikely to fall significantly below 2 percent, and may for some years continue in the region of 2.5 percent. The only circumstances likely to upset rough estimates would be a huge increase in mortality as a result of a series of catastrophes, or a dramatic reduction of fertility as a result of sudden, rapid and pervasive Westernization of much of the less developed world. The occurrence of either development is exceedingly improbable, and the first would in any case be accompanied by other cataclysmic changes.

While as yet we cannot hope for precise and exacting information on current population trends for low-income areas—most of these places lack comprehensive and accurate vital registration systems—the projections by the U.S. Bureau the Census are perfectly serviceable. According to the Census Bureau, the projected rate of natural increase for the LDCs as a whole is under 1.4 percent per annum. For Latin America and the Caribbean, the envisioned rate would be 1.4

percent; for all of Asia, just under 1.2 percent. Even in sub-Saharan Africa, the pace is thought to be about 2.3 percent—and while the pace there has been slowed by the catastrophic epidemic of HIV/AIDS, even without AIDS deaths the subcontinent's demographic tempo would likely not be much above 2.5 percent these days.¹

Conclusion

We live today in a different demographic environment from the one Peter anticipated. Iran and Brazil and Tunisia are all replacement-fertility societies—at most. Thailand and Vietnam and China, and even the teeming Indian city of Calcutta, are today all sub-replacement fertility venues.

Bauer quite rightly anticipated the central role that changes in parental attitudes would play in bringing about fertility decline in low-income areas. But neither Lord Bauer nor many other prescient observers could anticipate the astonishing speed and force of this change as it has unfolded in the intervening years.

One last loose end: what about Mauritius? In 1961, when Meade was ruminating on that island's grim Malthusian prospects, per capita output was about \$3,300 per year (Maddison 2003: 221).² Forty years later, it was put at more than \$11,000 per person. In the interim, per capita output had increased almost 3.5-fold—averaging 3 percent per annum, a pace rather faster than for the United States or Western Europe over the same period.

It's a good thing, I guess, that ordinary Mauritians had not heard about James Meade, or Robert McNamara, or the other great Western anti-natal advocates. Fortunately for them, in an irony Peter himself would have especially enjoyed, all those poor Mauritians did not know that what they were about to do was theoretically impossible.

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¹The Census Bureau's International Data Base can be accessed electronically at www.census.gov/ipc/www/idbagg.html. See also the UN Population Division's "World Population Prospects: The 2004 Revision" at www.unpopulation.org. The differences between the two sets of projections are not great, generally speaking.

²Estimates are in 1990 Geary-Khamis international dollars.

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