



BOOKS: ECONOMICS

Rapid Population Growth Saps Development

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Since Thomas Malthus famously warned in 1798 that excessive population growth would inevitably outpace food production, a debate has raged between those who have subscribed to Malthusian pessimism and those who have believed that technological advance would keep ahead of population growth—and perhaps even be spurred by a larger population. *Population Matters* provides a thorough and sophisticated update on this enduring argument. Edited by three leading scholars in economic demography (Nancy Birdsall, Allen Kelley, and Steven Sinding), the volume offers an important collection of original essays on the interrelation between demography and economic development. While avoiding the direst concerns of the pessimists, the authors generally—and convincingly—conclude that rapid population growth hinders economic development and that public policy should aim to reduce fertility rates in the poorest countries in order to promote development.

A valuable aspect of the essays—especially the introductory piece by Birdsall and Sinding, the historical overview by Kelley, and the survey of modeling by Kelley and Robert Schmidt—is that they guide the reader through the last half-century's twists and turns of the demography-development debate in the U.S. academic and policy literature. In the period after World War II, the risks of population growth to economic well-being were generally taken for granted. Rapid population growth was seen to require that saving be diverted to “capital widening” (in which capital accumulation merely keeps up with the rising population) rather than “capital deepening” (in which capital accumulation raises the capital stock per person, thereby leading to higher output per capita). Because some kinds of capital, such as high-quality arable land, are presumably fixed in quantity, the risks of declining capital per person as a result of rapid population growth were regarded as self evident.

A revisionist wave, however, overtook the debate in the 1980s. The revisionists held that most critical forms of capital (human capital and the stock of useful technological knowledge) are not in fixed supply. They argued that the key factor behind a rising standard of living is productivity growth, itself the product of an increasingly

sophisticated division of labor, technological advance, and education. The most optimistic revisionists suggested that a large and growing population would actually promote various economies of scale, so that the increased output would be greater than the rise in population. Several econometric studies in the 1970s and 1980s seemed to suggest that, indeed, population growth rates had little effect on overall living standards.

Population Matters brings the debate up to the late 1990s, reviews the evidence, and returns us to the view that rapid population growth is generally adverse to economic development. One key reason for the swing in scholarly sentiment is that many of the world's poorest countries seemed to be caught in a demography-based poverty trap in the 1980s and 1990s. In many of these countries (and particularly in their rural areas), high fertility rates of poor women and the resulting high rates of population growth contributed to stagnant or falling agricultural productivity, growing environmental degradation, and continued low levels of investment in the health and education of children. The empirical record suggests that the poor countries that succeeded in breaking the poverty trap are also those which have most rapidly and reliably made the demographic transition from high fertility and mortality rates to low fertility and mortality rates. Fortunately, a substantial and still increasing number of developing countries have advanced well through the demographic transition; only a shrinking subset of poor countries seems stuck in a demography-poverty trap.

The volume provides a very valuable discussion, with detailed references, of the knotty methodological issues inherent in the demography-development debate. Simple correlations between population growth and economic growth tell us little or nothing, because the variables of interest—such as fertility and mortality patterns, age structure of the population, and growth in urban versus rural or coastal versus hinterland settings—are more subtle. The context of population change must therefore be examined, and understanding the specific channels from demography to development requires that population be put alongside the myriad other determinants of economic

development. These big methodological advances are displayed in a series of microeconomic studies of household demographics as well as in the macroeconomic studies by Jeffrey Williamson; Ronald Lee, Andrew Mason, and Tim Miller; and David Bloom and David Canning.

The collection falls short in its coverage of three important topics. There is too little discussion of the linkages from population to environmental degradation. Many studies elsewhere have documented that deforestation, soil depletion, and other environmental ills are exacerbated by population growth in low-income settings.

There is also insufficient discussion of the policy implications of the links between demography and development. Because the fertility rate is itself a function of many factors—mothers' education, empowerment, and labor market opportunities; availability of contraceptives and family planning assistance; children's mortality rates; urbanization—the policy options for reducing fertility rates and enhancing economic development should have received more attention. Although the best mix of policy choices surely will differ across the globe, the experiences of many countries suggest that a combined emphasis on girls' education, female empowerment, market-based reforms, and increased access of the poor to primary health care and planning services can be a powerful and effective package.

Last, and critically, the essays offer little systematic discussion of the political economy of family planning policies at the national and international levels. This is unfortunate, because international support for family planning services in poor countries is under siege in the United States and elsewhere. Additional major cuts in U.S. support for family planning in impoverished countries seem quite possible, despite the evidence in this volume and elsewhere that such reductions will have highly adverse effects on the development prospects of the recipient countries. More attention to the political factors that help shape family planning and related population policies would therefore have been very timely and useful.

These shortcomings do not overshadow the strengths of *Population Matters*. The authors provide excellent coverage of many methodological issues and of recent macroeconomic and microeconomic evidence linking fertility and population dynamics to economic performance. Anyone concerned with how population change affects the development prospects of poor countries will profit from reading the essays.

Population Matters
Demographic
Change,
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and Poverty in the
Developing World

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and Steven W. Sinding, Eds.

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