# A Revisionist Look at Population and Growth

*NRC report downplays role of population and stresses individual and institutional adaptability*

THE National Research Council has produced what appears to be a significant contribution to the debate on global population and development. In its cautious, low-key wording and heavily qualified conclusions, it bears little resemblance to the "doomsaying" reports that have been appearing regularly for the past 15 years. In effect, it creates a solid middle ground for the debate, in between Thomas Malthus and his most visible critic, economist Julian Simon, the chief philosopher for the Administration's family-planning policies.

The report, "Population Growth and Economic Development: Policy Questions," says that rapid population growth, while not the main cause of all the problems in the Third World, is more likely to impede progress than promote it. And, in the words of committee member Samuel H. Preston of the University of Pennsylvania, "there is nothing in the report that calls into question AID's [the U.S. Agency for International Development] long-standing commitment to supporting voluntary family-planning programs."

Rapid population growth has long been assumed to be a major deterrent to economic progress in the developing world. But this assumption has been under radical attack from conservatives, some of whom seek to terminate U.S. aid for family-planning programs altogether. The Administration's position, as expressed at the 1984 United Nations population conference in Mexico City, has been that rapid population growth is not in itself undesirable and that market forces, if allowed free play, are sufficient to ensure development.

The AID population program has suffered considerably from the consequences of this approach: the Administration's antiabortion policy has been used as a lever to cut off donations to international family-planning organizations even though the law already prohibits the use of American money for abortion services.

Many observers now hope the NRC report will be perceived as furnishing unassailable evidence that family planning is a good idea.

The report, discussed at a day-long symposium this month at the National Academy of Sciences, has been received quite favorably across the board. The Population Crisis Committee likes it; so does Ben Wattenberg of the American Enterprise Institute, one of the protagonists for the Administration's free-market population policy. AID, for which the report was prepared, is also happy. Assistant administrator for science and technology Nyle Brady, standing in for administrator Peter McPherson, praised it as being a "strong endorsement of sound, market-oriented strategies" while endorsing the "pivotal role of family-planning" programs.

The document, in its exceedingly cautious tone, was described by Duke University economist Allen C. Kelley as a "strong revisionist interpretation" of the literature, that "retreats very substantially" from previous assessments, including past NRC reports, which cast population growth as one of the chief villains behind every major social, environmental, and economic problem plaguing developing nations.

D. Gale Johnson of the University of Chicago, who chaired the committee along with Ronald D. Lee of the University of California at Berkeley, stressed that a major difference in this report was one of "emphasis." In keeping with the interests of the Administration, there is much talk about the adaptive capabilities of the marketplace. Many of the acknowledged ill effects from population growth can be considerably mitigated by the "remarkable ability" of individuals, government institutions, and markets to adapt to changing pressures—a capability that he said has not been adequately recognized in other assessments. As Preston added, it has been 15 years since the last apocalyptic Academy report "during which we haven't gone to hell in a handbasket."

Alarmism and urgency were conspicuously absent at the symposium. The only exception was a talk by Jiang Chengzong, counselor at the Chinese embassy, who not only did not apologize for his country's alleged excesses in population control, but said they were going to try even harder in the future. Calling the population growth figures in his country "serious and shocking," he said the next 5-year plan calls for bringing the growth rate from 1.17 percent a year to close to 1 percent. "We are determined to continue our efforts to bring our population growth well under control . . . well into the next century," he asserted.

The only other unregenerate figure at the symposium was Princeton demographer Ansley Coale, who called himself a "pre-revisionist." He reiterated his long-standing predictions about the negative effect of population growth on per capita income and expressed skepticism that parents in poor countries are following rational calculations about benefit when they opt for large families.

Actually, the extent to which the report is "revisionist" is a matter of debate. David Horlacher from the United Nations pointed out that U.N. reports from 1953 and 1973—in contrast to earlier Academy reports—were similarly conservative in their evaluations of the role of population growth in world problems.

The report's conclusions, in brief, covered eight areas:

■ Exhaustible resources: "Concern about the impact of rapid population growth on resource exhaustion has often been exaggerated. . . . The effect . . . has been and will probably continue to be quite weak." Increased scarcity is likely to stimulate technological advance and the search for other "economizing strategies"—although improved market functioning will be necessary. But there is no "necessary relation" between population growth and resource exhaustion: "A world with . . . very rapid population growth but slow increases in income might experience slower resource depletion than one with a stationary population but rapid increases in income."

■ Renewable resources: "Population growth is surely contributing to the loss of species" and the depletion of forests and fisheries. The "common property aspect of environmental resources" contributes to the problem, although alarmist projections such as biologist Garrett Hardin's "tragedy of the commons" may underestimate the capacity of institutions to adapt.

■ Pollution: Market mechanisms are not

adequate here since diminishing returns from fertilizer and irrigation do "not necessarily pose economic barriers to their increased use," and pollution from dispersed sources, such as siltation, is often the responsibility of no one. Slower population growth might allow more time for adjustments.

- Worker productivity: Fast population growth means capital dilution, and a younger age structure diverts more capital to education and health. Assuming unchanged rates of investment and technological progress, income in a population growing at 3 percent a year would be 13 percent lower than in one growing at 1 percent.
- Economies of scale and technological innovation: High population density leads to more productivity in agriculture than in industry because of the latter's labor-saving technology. Population growth makes little contribution anywhere beyond a certain point. But slow growth alone, in places like Bangladesh, won't change things much. If the population of Bangladesh were halved, it would move from the world's second poorest country to the thirteenth poorest.
- Schooling: Enrollments have increased greatly with rising populations, but the evidence is that quality suffers with bigger classes and lower teacher pay. The absolute number of uneducated people also rises with rapid population growth.
- Income distribution: Slower population growth will increase the rate of return to labor and reduce income inequality. And sexual inequality will be reduced by programs to improve contraception.
- Urban growth: The rate of urban growth is related to population growth, but the rate of urbanization is not. Therefore, many of the Third World's urban problems stem more from government policies, such as food subsidies, than from population growth.

The committee plans to release a second report on "family-planning effectiveness" this summer. Speakers at the symposium reported that family-planning programs and economic development reinforce each other and that, contrary to allegations by some critics, programs can raise the demand for family planning. The general message was that, even if the economic grounds for family planning are not as compelling as some maintain, they are amply justified on the basis of individual family health and welfare.

Steven Sinding, head of AID's population program, said he felt enormous "relief" at the committee's conclusions. "The lack of equilibrium between resources available and resources demanded has never been greater than it is today." ■

CONSTANCE HOLDEN

## Environment and Development

The World Bank and other multilateral development banks are coming under increasing pressure from Congress to pay more attention to the environmental consequences of their loan policies.

In December, Congress for the first time passed legislation to this end as part of continuing appropriations for the fiscal year 1986 foreign aid bill. The bill was championed by Representative David R. Obey (D–WI), chairman of the foreign operations subcommittee of the House Appropriations Committee.

The measure calls on the Treasury Department to press the United States directors of the banks to strengthen environmental review of development projects, to involve the health and environmental ministers of recipient nations as well as nongovernmental organizations in project planning, and to increase the proportion of their lending programs that is devoted to environmental rehabilitation, protection of indigenous peoples, and small-scale technologies.

The legislation also instructs the State and Treasury departments to take new initiatives in getting other donor countries to join in pressuring the banks to put more emphasis on environmental concerns.

World Bank

**New settlers in northwestern Brazil**

The new legislation follows many of the so-called Patterson recommendations, published in December 1984 following a series of hearings conducted by the subcommittee on international development institutions and finance of the House Banking Committee, chaired by former Representative Jerry Patterson (D–CA).

More hearings were held this February by the same subcommittee, chaired by Representative Stan Lundine (D–NY). Critics, including James W. Conrow of the Treasury Department, said the banks are understaffed with environmental experts, fail to consult with relevant ministries and indigenous organizations, and sometimes approve loans before analyses of the environmental and health effects have been completed.

Serious problems continue to arise with major loan programs, such as the Polonoroeste project in Brazil, which involves extensive relocation of tribal peoples; Indonesia's massive transmigration project, which involves resettling people on outer islands which are ill-suited to livestock production; and a huge irrigation plan, including 30 major dams, in India's Narbada Valley.

The World Bank has shifted in recent years away from its focus on loans for large-scale, capital-intensive, and environmentally disruptive projects. It has publicized detailed new environmental guidelines, but critics, such as Bruce Rich of the Environmental Defense Fund, say systematic environmental review of all projects is still lacking because of the paucity of staff devoted to the effort. The bank has 3000 professional employees, many of them economists, and only three professionals responsible fulltime for environmental review.

The impact of the new legislation is yet to be felt. The World Bank, according to a spokesman, has been making steady progress and is not planning any new initiatives in response to the law. A State Department official says that getting environmental considerations integrated into loan policies has been pretty much a "unilateral" United States effort, but that his department "will be working with Treasury in more definable ways to get other donors to join" in it. He also says the Administration believes "Congress has latched on to a real issue that deserves serious attention." ■ C.H.