

A SPECIAL SECTION FOR CORRESPONDENCE AND CONTROVERSY Making Democratic Babies

Joel E. Cohen
Rockefeller University

Will America bomb out in the bedroom?

Since the early 1970s, the people of the industrial democracies have not been having enough children to replace themselves. For a population with low death rates and no net migration to replace itself, the total fertility rate needs to be about 2.1. The TFR is a composite measure of the birth rates in a given year; it estimates the average number of children ever born per woman. Currently, the TFR in the industrial democracies is 1.8.

By contrast, the industrial communist nations have fertility modestly above replacement. Third World countries have a TFR of 4.1. The U.S. had a TFR of 3.8 in 1957 at the peak of the Baby Boom.

In his new book, "The Birth Dearth: What Happens When People in Free Countries Don't Have Enough Babies?", Ben J. Wattenberg warns America that he thinks these figures portend a serious threat to democratic civilization. Mr. Wattenberg is a senior fellow at the American Enterprise

With thanks in this issue to Joel E. Cohen of Rockefeller University, who agreed to the reprinting of his book review and suggested publishing the response it inspired; also to Victor R. Fuchs of the National Bureau of Economic Research, Inc., Paul A. Samuelson of MIT, and Michael S. Teitelbaum of the Alfred P. Sloan Foundation who consented to the publication of their correspondence. ED.

Review of *The Birth Dearth: What Happens When People in Democratic Countries Don't Have Enough Babies?* Ben Wattenberg. New York: Pharos Books, 1987. Reprinted with permission from the *Wall Street Journal*, August 6, 1987. Address correspondence to Dr. Cohen, The Rockefeller University, 1230 York Avenue, New York, NY 10021-6399.

Institute and was a member of the U.S. delegation to the International Conference on Population in Mexico City in 1984.

Slower population growth at home means slow-growing domestic markets (fewer starter houses and baseball mitts) and relatively more old people. Innovation may suffer, he says. The number of working-age people per retiree will fall from five in 1985 to 2.5 by 2035. America's pay-as-you-go Social Security system will be in big trouble.

An increasing proportion of American college-educated women (who are largely of white European origin) are ending their fertile years with one child or none. Mr. Wattenberg argues that these women are overlooking an important cost of not having children, namely, that the white European share of the U.S. population will shrink, at current fertility and immigration levels, from 80% now to 60% by 2080. Mr. Wattenberg does not want to sound racist, he says, but wants to forestall the social turbulence that he expects to follow such a shift in our population.

In 1950, 22% of the world's population lived in industrial democracies; in 1985, fifteen percent. According to the projection, by 2100, 5% will live in industrial democracies. Nine-tenths of the world's people will live in the Third World.

The relative demographic decline of the North Atlantic Treaty Organization nations compared with the industrial communist nations could lead to a Finlandization of Western Europe, he says. Democratic values need large and powerful nations to assure their continued spread through the world.

What to do? Imitate Eastern Europe, Mr. Wattenberg says, and have the federal government spend massively to increase fertility. (How about paying women \$2,000 per year per child under age 16? he asks.) Press for day care at the job site. Forgive or defer college loans of graduates who have a baby soon enough. "Gently" inform women who seek an abortion of their options and encourage them to bear a baby for adoption. Try communal childcare arrangements, as in a kibbutz. Enhance voluntary family-planning assistance to Third World countries, he says. Increase legal immigration.

Bedfellows make strange politics. Hearing a call from the American Enterprise Institute for a massive federal spending program modeled on Eastern Europe is even more surprising than hearing a member of the 1984 U.S. delegation to Mexico City urge more federal aid to family-planning programs abroad, which the delegation opposed and the administration subsequently reduced.

Mr. Wattenberg sometimes overlooks inconvenient facts in his own numbers. The lowest projected population of the industrial democracies, 590 million in 2100, still exceeds the highest projected population of the

industrial communist nations, 525 million. Giving these projections in separate graphs with different scales obscures the comparison. Similarly, in spite of massive expenditures to raise fertility, the TFR of Eastern European countries has declined steadily since 1960, though more slowly than that of Western Europe.

A much more serious problem is Mr. Wattenberg's unquestioning reliance on the World Bank/United Nations population projection, much of which hinges crucially on future fertility. Demographers' failures to predict fertility have been spectacular. They did not foresee the postwar Baby Boom in the U.S., beginning and end, nor the subsequent tremendous decline in the TFR of Third World countries, from 6.1 in 1970 to 4.1 in 1985. The history of demographic, economic and social predictions demonstrates that, as the Danes say, it is very difficult to make predictions, especially involving the future. There is far too much uncertainty about fertility a generation ahead for a demographic projection to justify many actions Mr. Wattenberg presses for, whatever the merits of those actions on other grounds.

The same anxieties and policies that Mr. Wattenberg advertises here have surfaced repeatedly in the past century. For about the price of Mr. Wattenberg's book, you could buy less one-sided accounts of them in either *The Fear of Population Decline* by Michael S. Teitelbaum and Jay M. Winter (Academic Press, 1985), or *Below-Replacement Fertility in Industrial Societies* (Cambridge University Press, 1987) edited by Kingsley Davis, Mikhail S. Bernstam and Rita Ricardo-Campbell. These recent studies suggest that a false assurance about the future is more to be feared than the future itself.

RESPONSE

August 7, 1987

Dear Joel,

I share your opinion of *The Birth Dearth*, but I don't quite understand your final critique. You seem to be rejecting Wattenberg's call for pronatalist policies on the grounds that we don't know what future fertility will be. But we *do* know what current fertility is and if you share his concerns about a declining population, your position seems to amount to predicting that fertility *will* turn up. In short, every policy (including no policy) depends upon some kind of forecast, explicit or implicit, about the future.

All good wishes.

Sincerely,
Victor R. Fuchs

September 23, 1987

Dear Vic,

Thanks for your comments on my review of Wattenberg's *Birth Dearth*. First of all, I do not share Wattenberg's concerns about a declining population for several reasons. The white European fraction of the world's human population expanded enormously between 1600 and 1930. I see no reason why the balance should not shift back in the other direction for a while. Second, I do not believe that people equal power. The ratio of the population of the United States to the population of Kenya has fallen dramatically in recent decades. Does this mean that the power of the United States has fallen relative to that of Kenya? I doubt it very much. Third, I cannot see pouring massive resources into encouraging higher fertility in this country, which is what Wattenberg recommends, when the country is doing such a poor job of educating and civilizing the young people it has already. For all these reasons, I do not share Wattenberg's concerns about a declining population.

I do not predict that fertility will turn up in the white middle-class of the world. I simply do not believe that we know much about what the world will look like demographically 25 years from now. Three years ago, who would have predicted that 25% of adult men and women in central Africa would be infected with the virus of AIDS? Fertility may fall, and mortality may rise, so rapidly in central Africa that the conventional projections of an exploding African population are off by a very wide margin.

In fact, I favor a number of measures proposed by Wattenberg, but not because of any implicit or explicit prediction about the future beyond the next two years. Family planning programs are good for what they do now, which is help people who want to reduce their fertility to do so. Expanded selective immigration to the United States is good because it helps talented people from abroad obtain better lives here and enriches this country with talent from all over the world. Wattenberg favors both of these measures and so do I, but for very different reasons. My reasons do not depend on long-term forecasts.

Yours,
Joel E. Cohen

August 7, 1987

Dear Joel,

From 1920 to 1939 most demographers of the Cannan-Wicksell-Kuczynski-Lotka type were qualitatively on the mark in their demographic predictions, and were quantitatively admirable.

The crew all missed the 1939–50 blip. And much of it *they should have missed*—since there was nought in the 1900–1939 data to suggest that the fad to have third and fourth children and to marry early would occur and persist. Demographers, like economists, are fallible. But unlike economists, demographers were stubborn and can be faulted for still denying in 1942 (and 1943 . . . and 1950) the undeniable.

All this is to say, kindly and gently, that it is something of a cop-out to discount Wattenberg's bigotries and recipes on the ground that his qualitative predictions are too uncertain. In 1775 French speakers were as numerous globally as English speakers. By 1950 the ratio had massively fallen, to the surprise of no demographers. Yes, third-world fertilities will decline. But you and I could not bet against the proposition that present-day middle-class whites in Europe and North America will have significantly fewer per capita descendants fifty years from now than will the rest of the globe's people. So . . . ?

Best,
Paul A. Samuelson

September 23, 1987

Dear Paul,

It is very good to have your letter of August 7, which arrived while I was in Argentina. You write: "You and I could not bet against the proposition that present-day middle-class whites in Europe and North America will have significantly fewer per capita descendants fifty years from now than will the rest of the globe's people. So . . . ?" Perhaps I could not bet against the proposition, but I also could not bet for it. See my enclosed response to Victor Fuchs. So? you ask. So nothing, I say. The sprawling slums of Mexico City, Lagos, Calcutta, and Rio de Janeiro do not make those cities capitals of power or culture. Wattenberg appears to espouse a variety of demographic determinism which has no foundation, as far as I can see, in fact. Demography determines neither destiny nor dominance. So? So nothing.

I hope you are well!

Yours,
Joel E. Cohen

September 30, 1987

Dear Joel,

My 7 August letter to which you replied 23 September was not so much concerned with your value judgments as to what policy reactions

are optimal in response to a *relative* decline in *future* (and present) net fertility of white middle-class Americans relative to other groups.

Had I conveyed my major interest more clearly, it would have emphasized my interest in: What should rationally be a demographic expert's *subjective probability* distribution, mean-and-spread, concerning *future* relative numbers of different definable groups?

Let me tell you what is my code (my dream which I cannot always live up to), in any of the areas I specialize in.

1. I try to avoid the facile underestimation of warranted variance that nonexperts are so prone to perpetrate.

I am humble before the facts. But I try

2. to avoid the facile humility of agnosticism: anything can happen; who is to say?; one guess is as bad as any other; I reproach myself if my stated estimate of variance is greater than what is warranted by all of the evidence my scholarship has been able to study.

Apparently Fuchs had a reaction like mine to your work in the *WSJ*. Is it possible that the astute and informed J.E. Cohen believes in such vague and dispersed prior-Bayesians as his exposition seemed to say? "I would not bet against; but I would not bet in favor of [my odds are actually 50-50?]."

In 1919, at the time of the Black Sox scandal in baseball, the sad words were heard, "Say it ain't so, Joe."

My letter to you meant to say, "Say it ain't so, Joel."

Yours,
Paul A. Samuelson

October 8, 1987

Dear Joel,

You must feel quite beleaguered with one of the country's smartest economists and one of its tallest beating on you at the same time. But Paul is right. The arguments you present against Wattenberg in the second paragraph of your September 23 letter to me are all well and good, but they have nothing to do with our ability or inability to predict fertility.

Following the advice in your column, I went out and read Teitelbaum and Winter, and did not find them persuasive. They, too, say fertility is difficult to predict, and therefore they counsel a policy of watching and waiting over the next decade. In their heart of hearts they seem to expect fertility to turn up, but if that's the case then they ought to say so explicitly. It may be true that births have simply been postponed, although David Bloom thinks otherwise. Teitelbaum and Winter also slip in discussing the

high cost of pronatal policies because they fail to distinguish between transfer costs and real costs.

Sincerely,
Victor R. Fuchs

October 28, 1987

Dear Paul and Vic,

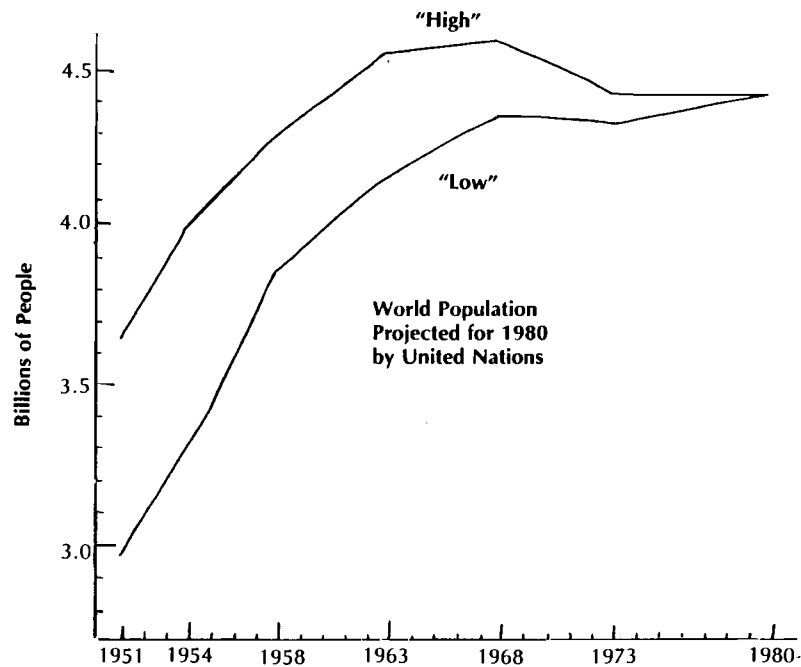
The cross examination on my review of Wattenberg's tract is better than any doctoral exam I have taken or observed. Perhaps if my doctoral exams had been this good, I would still be "Mister." This might not be all bad, since to every Ph.D. there is an equal and opposite Ph.D., while the "Mister's" cheerfully publish unreflective and unexamined books, like Mr. Wattenberg. But I digress.

Let me try first to respond to Paul's letter of September 30. Paul, your code of avoiding underestimation as well as overestimation of variance in demographic and other projections is admirable, and a code I happily subscribe to myself. However, I stand by my refusal (in my letter of September 23) to bet either for or against the proposition (in your letter of August 7) that "present-day middle-class whites in Europe and North America will have significantly fewer per capita descendants fifty years from now than will the rest of the globe's people." I hope that I am refusing to assent to this proposition, not from the facile humility of agnosticism, but from careful examination of past failures of prediction.

I have assembled a gallery of horrors populated by the predictions of demographers past. Enclosed is one example. The graph is hand-drawn by me because the United Nations has never prepared or published such a retrospective graph. The graph shows a series of predictions of total world population projected for the year 1980 by the United Nations Population Division in various prior years, 1951, 1954, 1958, 1963, 1968, and 1973. Prudent demographers that they were, they published "high" and "low" projections. The high projection in 1951 fell below the low projection in 1958. The high projection in 1958 fell below the low projection in 1968. Twice in less than two decades, the interval from high to low shifted disjointly. This suggests to me that the high estimates in 1951 and 1958 were ill-founded. My point is not to pick on the United Nations Population Division, but to suggest that the most informed demographic experts of a given time very often fail to recognize how little they know. Much as I would like to think that my contemporaries and I are better than all the benighted fools who have preceded us, I do not actually think so, when it comes to predicting the future.

Now I will confess that subjectively, Paul, your proposition seems

FIGURE 1



reasonable to me. But I would not bet money on it. I have enough examples of failures to predict fertility 5, 10, and 15 years in the future to be very shy of predictions of the composition of a population fifty years from now.

Vic, you get extra credit for doing the additional reading. Since you went to the trouble of reading Teitelbaum and Winter, I enclose a copy of Teitelbaum's review (see p. 70) of Wattenberg's book, as reprinted in the *Congressional Record*. Teitelbaum told me privately that he discovered by telephoning the World Bank that the projection on which Wattenberg's

book is based was prepared for Wattenberg using Wattenberg's specification of future fertility. The book gives the impression that it was not Wattenberg but the World Bank and the United Nations that set the parameters of the projection Wattenberg used. Knowing that Wattenberg simply made up the future fertility estimates confirms my belief that the projections in his book are not to be taken seriously.

Thank you both, Paul and Vic, for taking my review of Wattenberg's book seriously enough to respond, and for provoking me to think carefully about my responses to your letters.

Yours,
Joel E. Cohen

November 1, 1987

Dear Joel,

When demographers are doing projections as best they can, and are being only ordinarily lucky, how would I expect a graph of their high and low estimates of a future fixed-date's population to vary as we move towards that date? Actually, my expectation is that it would look rather like your 28 October constructed graph of 1980 estimates by the U.N. So I take your diagram to have cautionary value. But I do not perceive that exercise to be properly part of a "gallery of horrors."

More important though is the fact that imprecision in forecasting *totals* has limited power to testify concerning likely impotence in predicting *differentials* between specified groups and classes. If you have rich data on how experts thought Arab fertility rates would exceed Zionists, and how falsified these were by the subsequent events—and similar such horror stories—I would regard your inability to make bets as well supported. If . . .

I am left with the impression that you have led a sheltered life as a theoretical scholar. (Good work if you can get it. Who needs tough estimating problems? And strange that an economist should be sermonizing to a life scientist concerning his dilettante privileges.)

The mind that writes ". . .subjectively, Paul, your projection seems reasonable to me. But I would not bet money on it," has not absorbed Frank Ramsey's ("Bayesian") philosophy that,

To say a proposition is likely (or 'reasonable') is (merely) to say that it is bettable!

If you at the same time write my opponent, "Peter, your proposition seems reasonable to me. But I would not . . .", I interpret that to mean merely that you are being empty polite.

To belabor the same point further would be indeed boring.

Affectionately,
Paul A. Samuelson

February 1, 1988

Dear Victor,

I recently had occasion to reread your correspondence with Joel Cohen, and this mobilized me into confirming in writing the gist of our telephone conversation of several weeks ago.

First, I want to emphasize that the interpretation (in your October 8, 1987 letter) of the views held by my co-author Jay Winter and myself about likely future fertility levels is not correct. You note that "In their heart of hearts they seem to expect fertility to turn up, but if that's the case then they ought to say so explicitly." Fair enough. Except that we, like Joel Cohen, are not prepared to predict that fertility will turn up, or at least not very greatly. To the contrary, we are quite skeptical about predictions of such an upturn, though we recognize it is not impossible, as can be seen in the Conclusion section* (p. 152):

Some scholars have developed the view that there is likely to be a substantial fertility increase in the next decade, and while we have reasons to be skeptical of this prediction, it is certainly not an impossibility. Demographers ought to join Heraclitus in affirming that there is nothing permanent except change. To watch and wait seems the best counsel in discussions of population questions over the next decade.

If period fertility rates remain substantially below replacement levels (e.g. at the less than 1.4 children per woman registered by West Germany in 1983) or if they should decline further, it may be necessary in a decade or so to consider new policy initiatives . . .

As I have commented elsewhere, most demographers have the endearing trait of claiming less for demographic theory and methods than do

*of Teitelbaum, M.S. and Winter, J.M. (1985). *The Fear of Population Decline*. New York: Academic Press. ED.

many nondemographers. You may recall that during the heyday of "the population bomb" concerns 15 to 20 years ago, environmentalists were far more assured than were demographers about the future of population growth and its consequences (usually disastrous as they saw it). Demographers such as Ansley Coale cautioned that long-term fertility trends were less predictable than might be thought, and that in any case there were fundamental economic and policy forces—and numerous feasible adaptations—lying between raw demographic change and environmental degradation. Twenty years later, "one of the country's smartest economists and one of its tallest" seem to have greater confidence in demographers' ability to forecast the long-term future course of fertility than do at least the two demographers involved in this engaging correspondence. While all demographers may feel honored by this expression of confidence from such distinguished sources, the unhappy fact is that we do not deserve it. I take this demographic diffidence to be the core of Joel's view; and as you can see, I second the motion.

I do take your point that our book's discussion (pp. 148–149) of the "costs" of pronatalist policies could have been more precisely worded, especially when this same word is used differently by economists and policy analysts. As you noted, the economic cost of even very large increases in government payment programs may be essentially zero for an economist, who sees them as transfers. At the same time, policy analysts and politicians would perceive the *budgetary* costs of such increases as very real: would taxes need to be raised? Would the deficit increase? Or what other budgetary expenditures would have to be reduced? Given that this discussion appeared in the "Policy Responses" section of our concluding chapter, we implicitly were using the word "costs" in this sense of budgetary costs as seen by a policy analyst or politician, but it is certainly fair to point out that we should have been clearer about this, e.g. by using the adjective "budgetary" preceding "costs."

It has often been remarked that those who deploy long-term (e.g. 50 to 100 years) demographic projections as forecasts to guide current policies have the advantage that none of them will be alive when their advice can be assessed. Short-term demographic projections, while robust, provide few guides for policy: demographic inertia makes the magnitudes of short-term change unimpressive, and most demographic rates are difficult to manipulate via policy in any case. Economic forecasters live more difficult lives: no one would take seriously a 50 to 100 year economic forecast, and even short-term economic forecasts are notoriously unreliable. Still, economic change over even a few years can be quite dramatic, and is amenable to fiscal or monetary policy manipulation. Thus, whatever

their weaknesses, the less robust short-term projections of economic change are more relevant as guides to policy than are short-term demographic projections.

Given all of the above, it might be amusing if we can all agree to reread this correspondence in, say, the year 2000, and see what interim assessment might be in order. I'll put it in my tickler file. . . .

Yours sincerely,
Michael S. Teitelbaum

MICHAEL S. TEITELBAUM COMMENTS ON THE BIRTH DEARTH*

Is the West on a path of demographic suicide? Will Europe and North America be swamped by the far more prolific breeders of the Third World, and even by the slightly more fecund peoples of the Warsaw Pact? Are we losing the War Between the Sheets?

Such are the questions raised in Ben Wattenberg's new book, "The Birth Dearth," which in recent weeks has been the subject of a dazzling PR campaign. Its main points can be briefly summarized: Fertility in the West is at an all-time low, below the "replacement" level needed for eventually stability of population size. The author predicts that such low fertility will continue (unless the pronatalist policies he advocates are adopted), and that this will lead to a variety of disasters: destructive economic stagnation and turbulence, rising domestic tensions between racial and ethnic groups, much personal misery, and an erosion of Western and American power and influence in the world.

Despite its calamitous predictions, the book is written in breezy journalistic style, aimed at the everyday reader with no knowledge of the nuances of demography. It purports to be based upon scientific analysis, and makes ample use of demographic concepts and methods such as the "total fertility rate" and population projections. The author does not shrink from basing much of his argument upon projections right out to the year 2085 for the U.S., the USSR, Western Europe, and the Third World, projections which he attributes to something he calls the "World Bank/UN model."

Unhappily, all is not what it seems. The projections attributed to the World Bank appear to have been done by a World Bank employee at Mr. Wattenberg's special request, following the fertility assumptions he himself

*Reprinted from the *Congressional Record*, Proceedings and Debates of the 100th Congress, First Session, Vol. 133, No. 125. Washington, July 28, 1987.

specified. Such assumptions, going out a full 100 years, would never be used in this way by the World Bank, by the UN, or by any responsible demographers.

For those who might find themselves misled by the appearance of scientific rigor, be warned that population projections are classics of the "GIGO" phenomenon (for Garbage In, Garbage Out). As long as one can add, subtract, multiply, and divide, any projection will be arithmetically "correct"—but if its assumptions are dubious, then the projection is either meaningless or misleading. Because no one has any way to say what the course of fertility, mortality and migration will be 80 or 90 years from now, demographers are reluctant to make such heroic projections; when they do, their purposes are not predictive, and usually they calculate a set of alternative projections based upon a reasonable range of plausible assumptions.

Wattenberg is constrained by no such niceties of the scientific method. The single projections he ordered simply hold current US and USSR fertility levels constant for 100 years, along with gradually improving mortality conditions. As noted by one of the leading experts on Soviet demography, his assumed fertility level for the USSR is higher than apparent recent levels—we really don't know—and he ignores considerable evidence that mortality conditions in the USSR have been deteriorating, not improving, over the past decade. The output (the GO part of GIGO) of these assumptions is inevitable and unsurprising: a much larger population in the USSR than in the US after 100 years.

Not only demographers will shudder at the use of their data and methods in this book. Most economists would be astonished at the simplistic economic theory underlying population decline's argued effects on the economics of housing, coffee makers, and (yes) baseball gloves. One wonders too what political scientists would make of forecasts that hold national characters and military alliances constant for a full century; put another way, if Wattenberg had been writing 100 years ago, when the Czar ruled Russia and Britain ruled the waves, what would he have predicted about the relative strength of NATO and the Warsaw Pact in 1987?

Obviously, there must be some goal for all the energetic if dubious argumentation in this book, and there is. The book is intended, in Wattenberg's own well-chosen words, as "a provocation," an "alarmist tract" aimed at convincing his readers that the West is "committing slow-motion demographic suicide." It is a well-presented compendium of what are known as "forensic statistics"—the marshaling of selected evidence in order to prove a predetermined point.

To his credit, Mr. Wattenberg writes with considerable verve, humor

and irony. But the most amusing ironies are unintentional. His apocalyptic pronouncements upon the disastrous effects of current demographic rates projected out to the unforeseeable future are coming from the same pen that has long assaulted the "population bomb" alarmists for exaggerating the significance of demographic trends and misusing demographic projections. Wattenberg's cutting words about the earlier alarmists apply equally well to his own book: "Why have a long-range manageable population problem that can be coped with gradually over generations when, with a little extra souped-up scare rhetoric, we can drum up a full-fledged crisis?"

It is also ironic that despite his alarming description of the wide-ranging consequences of demographic change, Wattenberg played a prominent role in the Reagan Administration's delegation to the 1984 International Population Conference in Mexico City, promoting the view that "in and of itself, population growth is a neutral phenomenon."

Despite its excesses and rhetoric, the book has a few positive attributes. It emphasizes that demographic change is not neutral after all, and it introduces the uninitiated reader to demographic data and analysis, if admittedly in a garbled and overstated way. Compared to the overheated windup, the pitch is relatively moderate—a series of pronatalist policies such as child care subsidies, child allowances, and tax preferences, aimed at raising fertility by 20 to 25 percent, to be financed by government and industry. The author honorably admits these would cost a great deal of money, but has in mind tapping into the Social Security Trust Fund. And in any case, "Money should be no object. Remember, we're saving Western civilization." Ultimately the book comes across as distorted, exaggerated, the stuff of a true believer.