DOES AUSTRALIA'S LOW FERTILITY MATTER?

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SUMMARY

Replacement fertility in Australia (combined with nil net migration) would produce a stable, stationary population of between 19 and 20 million people, with an older age structure than the present population, in the first half of the 21st century. Continued below-replacement fertility would lead to a smaller maximum population, followed by population decline and an even older age structure. This paper argues that there is no need to increase the population and that a more mature age structure promises a number of benefits. Population growth imposes further costs on the already stressed natural environment and on the cities, and no economic benefits clearly offset these costs. The Fraser and Hawke Governments have chosen to promote population growth through immigration rather than through pro-natalist policies which would support families. While there is no demographic need for higher fertility rates, below-replacement fertility may reflect the hardships faced by parents, especially mothers. Irrespective of whether this would raise fertility or not, steps should be taken to redress these hardships.

Like most other developed countries Australia has now passed through the demographic transition. Indeed, again like most other developed countries, she has gone beyond it, and in 1987 the total fertility rate was 1.85, 11.9 per cent below replacement. This paper will be divided into two sections, a discussion of the effects of replacement fertility and a discussion of the effects of below-replacement fertility.

Replacement Fertility

Replacement fertility has two main consequences. First, in the absence of immigration, it will lead to a declining rate of growth from natural increase and then, in three or four decades, to an ultimate population of around 19 or 20 million and the end of growth.[1] Replacement fertility produces population stability. Second, replacement fertility will lead to a change in the age composition of the population. A stable post-transition society will have a more mature age structure than the society that preceded it. Are the prospects of a stable population of some 19.5 million and an older age structure causes for concern in this country? By the end of 1988 Australia's population was just under 16.7 million. Replacement fertility would add some three million extra people (the present population of Melbourne) before stability was achieved. Do we need even more people than this, and should we fear maturity?

Both the Government and the Opposition appear to believe that we do need more people but, over the last 10 or 12 years, the debate about the ultimate size of Australia's population has focused very much on migration policy. Governments have not wished to explore policies that might support higher fertility. When the Fraser Government moved towards re-establishing a migration policy in the late 1970s politicians generally assumed that social policies designed to support families would have little effect on fertility (Betts, 1988b: 123-4) and, until recently, most academics would have agreed (see McDonald, 1987: 3-4). The FitzGerald Report, *Immigration: A Commitment to Australia*, does not mention pronatalist policies as alternatives, or supplements, to immigration policy but one of the members of the FitzGerald Committee, Helen Hughes, has made her views clear elsewhere. Long term population growth, she argues, can only be achieved through immigration because policies designed to support higher fertility would not be acceptable to Australian women, would cost more than immigration, would take too long to be effective, and would antagonize neighbouring countries (Hughes, 1985: 51).

Because of the association with immigration policy, questions about Australia's optimum population size have become entangled with questions about refugees, multiculturalism, and ethnicity, and with questions about the merits of various components of the immigration programme. But if we are simply thinking in terms of natural increase we can ignore these questions and just ask, is population growth in the interests of the people now living in Australia and who intend to stay?

Despite the country's size, Australia has a limited agricultural capacity. As Seddon argues, Australia is agriculturally about the size of France, but with very much poorer soils, and 13 per cent of cleared land is already taken up by urban development (1979: 131-3). In 1980, a drought year, even Great Britain produced more tonnes of cereal than Australia (Birrell and Birrell, 1987: 187). Variations in rainfall have always meant that past agricultural yields cannot be used to predict the immediate future in this country and, as the consequences of soil degradation and the greenhouse effect strengthen, the uncertainties increase. Australia has large reserves of many mineral resources but a scant supply of liquid fuel, and most of the major cities have problems with water supply, either in terms of the costs of increasing their reserves or, in the case of Adelaide and Perth, in absolute terms (Lowe, 1988; Watson, 1988; Nix, 1988; Day, 1988). We have a fragile natural environment which has already suffered considerable damage from 200 years of European settlement. Extensive areas of farmland have been degraded, more than two-thirds of our eucalypt forests have been destroyed and three-quarters of the rainforests, the Murray/Darling river system is heavily polluted, and many native animal and plant species are either extinct or threatened with extinction (Wright McKinney, 1988; Day, 1988; Smith and Finlayson, 1988). Much of this damage cannot be repaired. Where something can be done to make it good, we will need to spend time and money.

Efforts are now being made to adopt agricultural practices more attuned to maintaining long term yields and it is even possible that future technological advances will make present difficulties seem more

manageable. Moreover, population growth is not the only, or indeed even the chief, cause of soil degradation, though it does have a more direct effect on other forms of environmental decay (pollution, the loss of rural land to urban sprawl, pressure on national parks and so on). But popular images of abundant natural resources and a capacity to accommodate many millions more without cost must be revised.

In 1975 the National Population Inquiry concluded that it would be feasible for Australia's population to grow to 50 or 60 million (see Borrie, 1975: 180, 715). This conclusion was based on a submission from the CSIRO which argued that, if the area under crops were to be doubled, and if all the produce were to be consumed in Australia, and if no other constraints were to be considered, then Australia could support 60 to 70 million people. In fact the authors of the work on which the CSIRO submission had been based (who included Henry Nix, Richard Millington, Jetse Kalma and Roger Gifford) developed the figure of around 60 million as an upper estimate resulting from a set of rather unlikely circumstances. They had intended the many qualifications surrounding the figure of 60 million to underscore the real limits to Australia's growth. They certainly did not intend the figure to be adopted as a reasonable target (Birrell and Birrell, 1987: 191-2).

At present Australia produces enough food to feed 30 million people (Seddon, 1979: 131-3). With a population of 16.7 million much of this is exported, but food is only one of the resources people require and if the extra 13.3 million were to be added to the existing number of residents more farm land would be lost to urban development and pressures on timber resources, water, and, most especially, energy resources would grow. Australia's reserves of commercial timber are already shrinking and agricultural expansion would conflict with the need to preserve and to extend existing forests, a need which is becoming more acute in the face of climatic change and the greenhouse effect. Melbourne and Sydney face problems of cost in supplying more residents with water, and Adelaide and Perth face problems in absolute terms, but total water supplies would not present a problem if most newcomers were prepared to live in Queensland or Tasmania. The gravest resource deficiency, however, rests with liquid fuels for transport. (For a more detailed discussion of the resource constraints see Lowe, 1988; Nix, 1988; Birrell and Birrell, 1987: 186-198; and Betts, 1988b: 17-20.)

These problems do not mean that it is impossible for the country to handle further population growth, at least in the short term, but they do indicate that growth could very well involve costs, and that it will certainly make the task of exercising responsible stewardship over the country's natural resources and the environment harder than would otherwise be the case. To take one example, the Victorian Government's conservation strategy aims to cut carbon dioxide emissions by 20 per cent by the year 2005, through energy conservation and other methods (State Conservation Report, 1989: 1). The reduction in energy use per head necessary to achieve this target will rise with population growth and thus increase the political difficulties that the policy may encounter.

The extra three million people that replacement fertility would add will cause problems enough in containing and reversing envir-

onmental damage. We do not need to burden the land with more. And we do not need more people in our sprawling major cities. Population increases will force us to build more roads, car parks, houses, power lines, power stations, shopping centres, sewers, sewage farms, and garbage incinerators, just to preserve existing standards. We have trouble enough providing decent housing, transport, and pollution control for the people we already have. Net total immigration was 164,000 in 1988; on average more than 3,000 new migrants arrived each week. They needed many resources, one of them housing. Homelessness grew and the cost of housing in the major cities escalated. Immigration was not the only cause of the housing crisis; deregulation and negative gearing played their part (see Hayward and Burke, 1988) but it was clearly a contributing factor. While Borrie believed that Australia could absorb growth rates of 1 or even 1.5 per cent per annum during the rest of this century, his analysis of the possible distribution of this growth implied that Melbourne and Sydney could not (in 1975) absorb further numbers without adverse effects on the quality of life of their inhabitants (Borrie, 1975: 740-1). But these cities still continue to grow and their residents waste time, energy and money simply coping with traffic congestion and other diseconomies of scale.

Although the FitzGerald Report recommends a considerable increase in the migrant intake, its authors regret the fact that the programme lacks a convincing rationale and suggest that the Government should develop one (1988: 3-4, 18). Its own analysis of the case for growth centred on the economy, narrowly defined in terms of the goods and services measured in the national accounts. For example it dismisses the environmental effects of growth in a mere 200 words (1988: 42-3) and the consultants who prepared the background economic analysis declared themselves unable to include the urban costs in their forecasting model (Centre for International Economics, 1988: 67). This means that serious disadvantages have not been considered and current growth policies are based on an inadequate understanding of the full environmental social and economic context.

Nevertheless, the social welfare goals of eliminating poverty and homelessness and improving levels of health and education are more easily met if per capita economic growth is occurring. It is even possible that population growth might accelerate economic growth to such an extent that it would generate the extra resources needed to solve the added environmental problems. Is there any certainty that such a happy outcome might eventuate? Three major economic reports on the topic have been prepared over the last 12 years (including the consultants' analysis for the FitzGerald Report). They explore the relationship between population growth, particularly immigration-fuelled population growth, and economic growth. Despite narrow terms of reference that excluded aspects of material well-being not measured in the national accounts (such as environmental quality, urban amenity and the effects of unpaid labour) none of these reports found a clear positive effect between population growth and per capita economic growth.[2]

Economists at present believe that population growth and immigration do not inflate unemployment rates when these are expressed as a percentage of the workforce,though the numbers of unemployed

people will clearly rise if constant rates are applied to a larger workforce (see Betts, 1988b: 27-8, 168-9, 212 n39). But this argument is based on statistical analyses of past levels of immigration and provides no guidance on whether immigration exceeding these levels or of a different composition from the past could be pursued without fear of unemployment (Centre for International Economics, 1988: 13). It also says nothing about wage levels and the quality of the jobs available to an expanded workforce. With the exception of tourism, few areas of the economy that may expand if restructuring is successful are labour-intensive. There is already evidence of growth in a secondary labour market where low wages and part-time, casual and piece work predominate (Betts, 1988a). The econometric model used by the economic consultants for the FitzGerald Committee did produce slight gains in GDP per capita when the annual intake was increased but these were less than the increase in the number of workers per head of population "indicating a fall in the real wage per worker employed" (Centre for International Economics, 1988: iv).

Australia may well need more skilled people and more highly trained people, but these goals can and should be met by augmenting the existing training of the existing population, by eliminating some of the waste of human resources caused by unemployment and, as Young has demonstrated, by supporting the training and workforce participation of women (1989a: 93-4). A need for skills is not an argument for population growth. The country does not need to grow in order to improve standards of material comfort. On the contrary, growth has adverse consequences and the more growth there is the more severe these will be. So, inasmuch as replacement fertility leads to population stability, this is clearly desirable, and the only cause for concern is that it will take time and add at least three million people through natural increase in the process.

But what about that other consequence, the ageing of the population? One should always on principle distrust the arguments of people who claim that a particular social change is "inevitable" and that therefore we have no choice but to adapt to it, but this really is the case with the ageing of the population, there is no question that, at some stage, and at some size, sooner or later, the population must stabilize. Living space and natural resources cannot be expanded indefinitely; eventually the population of the Earth, and of Australia, must stop growing. And, if a population stabilizes at low birth rates and low death rates the average age will be higher than it has ever been before.

Of course there is another way of achieving stability. We could return to the pre-transition method, the way of high birth rates and high death rates. This brings stability and ensures a youthful age structure because many children are born and few of them live to grow old. Youthful stability is possible, but the human cost in premature mortality is high; no serious analyst would suggest that Australia or any other country should try to achieve it. This means that mature stability is the only choice and it is in this sense that the ageing of the population is inevitable.

There has been a lot of agonizing over the prospect in the media and in statements made by public officials and politicians, and it is

probable that many Australians view the prospect of an older population with alarm. Some people argue that immigration will retard the ageing process. As the figures in the appendix show, the effects are marginal but much of the reaction to the changing age structure has been due to efforts to find justifications for immigration rather than to a serious concern with ageing itself (Betts, 1988a: 28-32, 121, 127); nevertheless, if there is anxiety this would not be surprising. We are looking at a new way of organizing human societies: as far as we know stable human populations kept in check by such low birth rates as we now experience, and by such low death rates, have not existed before, and the age structure that goes with them is unfamiliar to us.

If some disaster pitched us back into the conditions of, say, the thirteenth century, and we once again had to cope with savage mortality and high fertility, at least we might, in principle, know what to expect because this is the history we have come from. And, although it was riddled with misery and loss, human beings did find some happiness. Our ancestors have left us works of art and literature and philosophy to show that one does not need to live without the ever present fear of pain and death to create beautiful things and to find some reason to go on. They knew about pre-transition societies because they had lived in them for millennia. They knew about the hordes of children, sometimes noisy and boisterous, sometimes beaten into silence, and they knew what it was to live in the constant presence of death. Their experience can be explored through the records they have left and the picture of their way of life that has been reconstructed by historians and demographers of past European societies (see Laslett, 1971; Stone, 1977; Shorter, 1975; Ariès, 1979). We do not know where we are going now in this same sense because our species has not been there before, but we are not travelling blind. There is plenty of information that can be pieced together about post-transition societies and demographic maturity, and there are a number of countries today that are much further down the road towards this future than Australia.

Judging by the concern expressed in the media, cost is the main problem faced by a more mature society. How is such a society going to be able to support all the extra aged pensioners,and how are its members going to be able to take care of increasing numbers of frail elderly people? Certainly a post-transition society is confronting a major social change, but stories that pursue these themes consistently ignore the fact that the larger proportion of older people in the new age structure will be pretty much offset by a smaller proportion of children. So savings will be made in the costs of caring for children, and the community will therefore have spare resources to devote to the care of the elderly. This is another way of saying that, as we move towards a stable population, the proportions of working-age people and of those dependent on them will hardly change. What will change is the age composition of these so-called "dependents". More of them will be elderly and fewer of them will be children. The proportion of the population that is of "working age" (15 to 64 years) has varied around 60 per cent over the last 100 years but it has not varied very much. The present proportion is about 66 per cent and projections for 2021 and 2031 (shown in the appendix) suggest that though it will fall slightly, it will not drop

below 61 per cent, a level comparable to the boom economic years of the 1960s.

Some of the people who worry about the ageing of the population have not realized this fact. They have not understood that the proportions of "dependents" and "workers" will remain more or less the same. Others are well aware of it but they still persist in their anxiety, and they have a reason for this. They believe that an elderly "dependent" person costs society more than a youthful one. So it is not just that the age composition of the dependent proportion will change; the new dependents that will be added are more expensive than the existing ones that will be lost. An old person is more of a burden than a child.

This argument rests on the public costs of caring for dependents. It is hard to know what costs to include in the equation and it is hard to get complete and accurate data. Should the calculation be restricted to the public costs of education, welfare, health and pensions for people under 15 and over 64? Or should we also include the fiscal effects of superannuation, the consequences of not taxing the imputed rent of home ownership (which is more prevalent among the elderly), and the costs of education for people aged 15 to 24? What about the public costs of law enforcement (given high rates of offending among juveniles), and the taxation lost from people who withdraw from the workforce to care for children, and elderly relatives?

Expenditure on a wide range of social policies varies with the age of the client population. But if an estimate of relative costs is confined to the education and welfare costs of a child and the pension and health care costs of an older person, it seems that the older person costs the taxpayer more, perhaps twice as much, perhaps three times as much (see EPAC quoted in Kelley, 1988: 18; Social Welfare Policy Secretariat quoted in Kendig and MacCallum, 1986: 55–6; Dixon and Foster, 1982: 154–5). If differences of these orders do in fact exist it seems obvious that the burden on the taxpayer will increase as cheaper dependents are swapped for more expensive ones. But in a recent paper Allen Kelley has looked at the figures in a broader context and he concludes that Australia is well placed to manage the change.

Other age groups as well as children and the elderly generate social costs. Kelley quotes figures prepared by the Economic Planning and Advisory Council in 1988 which show that if we look at spending on social services, welfare, health, education and employment, people aged 16 to 24 are nearly as expensive as children ($2,640 per capita in 1984/85 compared to $2,798). Even the 40 to 49 year olds, the group that made least demand on public revenue, attracted $1,254 per capita (Kelley, 1988: 42). When dependency at all ages is taken into account, the effect of increased public costs due to a larger proportion in the older age group categories is minimal. Australia spends about 20 per cent of GDP on social expenditure now and in 2030 we will still be spending about 20 per cent (Kelley, 1988: 18–19, 42–3).

These figures are reassuring but the situation is even better than it looks. The debate so far has concentrated on public costs,

yet most of the costs of caring for children are private costs. (Kendig and McCallum recognize this, but do not discuss the changing distribution of private costs in any detail.) Children are very expensive. Housing, clothing, educating, and feeding children and teenagers costs a lot of money, but the people who pay the greater part of these costs are parents, and most parents get very little assistance from public revenue so that any calculations based solely on costs to the taxpayer are biased. And the costs of childrearing do not stop with the direct provision of the goods and services bought for them by their parents. Babies and children require very close care and attention for at least the first five years of their lives, and a lot of supervision and minding for a long time to come. Most of the people who do this work are parents, usually mothers, and they are not paid for it; not only are they unpaid, but they often have to give up the chance of paid work in order to provide this care.

The private costs of bringing up children are substantial. If all of them were brought into the equation an elderly dependent would be a bargain compared to a young dependent. For example, Beggs and Chapman have estimated that if a woman of average education has a child she will lose about $336,000 of the salary she would otherwise have earned in the workforce. Second and third children are associated with further losses of around $50,000 and $35,000 respectively. Losses for women with below average education are rather less ($282,000 for the first child and an extra $30,000 and $20,000 for the second and third) but higher for a woman with above average education. A woman with 16 years of schooling will lose $439,000 for the first child, an extra $98,000 for the second, and an extra $78,000 for the third. Assuming the lost income were invested at 7 per cent per annum she would lose two million dollars for the first child, $400,000 for the second and $250,000 for the third: $2,650,000 for a three-child family (Beggs and Chapman, 1988: 40-1). It is possible that the higher cost of children to more educated women could help to explain the lower fertility that Rowland has identified among these women compared with those of lower education (see Rowland, 1988: 13-14).

There are private costs assocated with the support of elderly people but most of these are met by the older people themselves, from savings and superannuation that they have accumulated during their working years. The current working-age population may also give financial help or, more likely, practical help. But there is some indication that the level of unpaid labour expended by the current working-age population in the care of the elderly is low. The recent pilot time-use study conducted by the Australian Bureau of Statistics in Sydney found that people spent about 15 times as much time caring for children as they did caring for sick and disabled adults of any age. The authors of the report are careful to emphasize that the data on child care and care of the elderly probably undercount the time that is actually spent on these activities, but there is no reason to suppose that this affects the relative proportions of time spent. The study also found that much child care was actually done by elderly people themselves (see Australian Bureau of Statistics, 1988d: 68). Kendig and McCallum also note the considerable financial, practical, and interpersonal help that older people contribute to their adult children and their children's families (1986: 21-2).

The conclusion to be drawn from this is that, first, an older population will not bankrupt the taxpayer. Diminished child dependency will not only reduce public costs directly, through a lower demand for spending on the welfare and education needs of children, but it will also allow more adults (especially women) to enter the paid workforce (see Young, 1989a). This has the potential to make a direct contribution to public revenue through taxation with minimal additional public costs in providing new infrastructure. And second, when all the costs are considered - public, private,paid, and unpaid - the community should in fact be better off. Indeed we can see that this is not just theory when we look at countries that already have a more mature population, such as Sweden, Denmark and Switzerland. Of course prosperity is not simply a function of demography, but these countries do not seem to be groaning under a demographic handicap. The needs of the elderly do not necessarily all have to be met through the public sector, but a healthier society has a greater capacity to redirect a larger proportion of its product to this sector and the people of all ages who depend on it.

The ageing of the population will involve social change as resources are shifted to different groups and whether a capacity to lift material living standards in an egalitarian way will be realized depends on the political context. As Preston (1984) has made clear there is even the potential for resources to be disproportionately redistributed towards the aged at the expense of the young. This may already be happening in the United States. But such an outcome does not follow from demographic change in any direct way; Johnson and Falkingham demonstrate that elderly people have not made any gains in Britain and argue that "... inequality *within* broad age groups is much greater than inequality *between* age groups, and to discuss the competition for welfare resources within an intergenerational framework is to establish a false dichotomy" (1988: 144).

Clearly as much depends on the political culture as on demography. Preston argues that public spending on the aged has a threefold political base: the elderly themselves; working-age adults who do not wish to assume more financial responsibility for supporting their elderly parents; and working-age adults who are worried about their own old age. The elderly, Preston says, are a unique lobby group in that most people who are not part of it now can expect to join it one day. In contrast, he argues, the political constituency for children is weak. Children have no vote themselves and only their parents are directly involved (Preston, 1984).

The challenge implicit in this argument is to develop a political culture in which all adults, parents and non-parents, form a constituency for children, for reasons of self interest if not for altruism. When today's working-age adults are tomorrow's retireees they will need a well educated, unalienated cohort of new adults to work, to organize and to run many of the social arrangements that will support them. It must be made clear that somebody else's children are everybody's children; they are everybody's concern. And here there may be some links with immigration policy. Preston argues that one of the reasons why it is hard to generate this sort of concern in the United States is that many working-age Anglo-Americans see children who have extra welfare needs as somebody else's children, because many

of them belong to ethnic minorities. Freeman draws on this theme when he claims that immigration has produced a meaner spirit in the funding of welfare schemes in western Europe. It has weakened the trade union base for social welfare and has led many taxpayers to see welfare as something that "we" pay for "them", and consequently something that "we" wish to keep as low as possible. He calls this an "Americanization" of the welfare state and argues that:

> One is free to believe more or less what one wishes about the economic impact of migration because the facts are so much in dispute. From the perspective of the politics of the welfare state, however, there can be no doubt that migration has been little short of a disaster (Freeman, 1986: 61).

Australia has adopted the odd practice of attempting to use immigration to mitigate the demographic effects of ageing. We know now that it can only play a trivial role in this respect (see appendix; Hugo, 1988: 5-7; Young, 1988: 223-5; 1989a: 90-3). But immigration does bring with it the potential for making the social and political context in which an older society develops much less favourable than it otherwise would have been.

One notion that does need to be questioned in the debate about the ageing of the population is the idea of dependency. If people are defined as dependent because they actually need someone else to help take care of them, then very few of the elderly are dependent. Most of them need no more help in taking care of themselves than any other adult; they can look after themselves and also help in caring for others. Only one in ten need some extra help with meals, washing, dressing and so on and only one in 200 is bedridden (Hicks, 1982: 32).[3] Recent research has also called into question the idea that mental abilities inevitably decline with age. Most elderly people do not lose their intellectual capacities and we now know that when physical and mental problems do appear to be associated with age, this is more often a consequence of social experiences than it is of biology. Many of the very old today have suffered from the effects of poor education, two World Wars, the 1930s depression, low standards of occupational health and safety in the workplace, and poor diet. Many of tomorrow's aged will have had a better start (see Riley and Riley, 1986). Alfred Sauvy sees the post-transition future as "a society of old people, living in old houses, ruminating about old ideas" (quoted in Wattenberg, 1987: 65). If we do have such a future it will be cause we have chosen it; the biological ageing process does not force it upon us.

The vast majority of the old do not lose their wits and only 0.5 per cent of them need constant nursing care. In contrast we could say that *all* babies are bedridden and that *all* children need a lot of help with looking after themselves, help with eating, washing and dressing, for at least the first seven or eight years of their lives. So it is only in childhood that biological age is inevitably associated with being dependent on other people. For almost everyone else so-called dependency is more likely to be caused by social arrangements (unemployment, compulsory retirement and inactivity) than by biological age. Most older people can take care of themselves and

make an active contribution to the rest of society if they are allowed to do so, and it is time that we stopped talking of them as burdens and started thinking of them as assets.

Below Replacement Fertility

Stability and maturity will bring changes, but many of them will be beneficial. The benefits of stability are obvious: the resources that would have been spent on servicing growth could be redeployed and used to help repair the environment, restructure the economy, and improve the quality of life of the existing population. And it is clear that a mature age structure would also involve savings: less time and money would be tied up in the unavoidable work associated with caring for and socializing the young, and more resources would therefore be available for other purposes. We could use them to improve standards of care for existing children, and for the sick and handicapped of any age, or to do whatever we as voters and as policy makers choose to do. Perhaps we would use some of them to increase funding for the arts and sciences and to increase Australia's commitment to international aid. A demographically mature society will have more choices than one that is demographically immature.

There is more to peace, prosperity and constructive politics than demography, but in this picture of replacement fertility and demographic stability the omens are good. Australians would have little to fear and a lot to welcome in this future. But we know that this is not the future that we are heading for. The major political parties are committed to migration policies that will maintain growth; they have been at odds on the question of who the migrants should be, but both are agreed that there should be many of them. This will not have any appreciable effects on the age structure, so there will be some benefits to be gained from maturity, but these benefits will be swamped by the costs of growth.

Still, immigration is potentially easier to change than fertility. It is possible that Australia could embrace a policy of nil net migration and indeed such a policy could eventuate as an unintended consequence of the push for higher levels of immigration and the political debate provoked by the FitzGerald Report (see Birrell and Betts, 1988). Several environmental groups have been formed in recent months to lobby against population growth and the bipartisan immigration policies of the major parties. They include Australians Against Further Immigration (AAFI), which has branches in Melbourne and Perth, and the Canberra-based Writers for an Ecologically Sustainable Population, supported by such eminent figures as Judith Wright, A.D. Hope, Mark O'Connor and Rosemary Dobson.[4] Given widespread and growing opposition to immigration among the general public,[5] movements like these may have some influence. But even if immigration were to be held level with emigration, the kind of society promised by replacement fertility would still elude us because we are experiencing not replacement fertility, but fertility nearly 12 per cent below replacement. This means that we are not looking towards a future of an additional three million people and then stability at around 19.5 million, but towards a future where we add rather fewer people, probably two million, and then decline.

The idea of an actual decrease may seem alarming but it will not happen overnight. Young has calculated that if the Australian total fertility rate were to remain at 1.93 (the rate initially published for 1985 in 1987) it would take almost a century for the population to return to its present size (Young, 1988: 221). Clearly there would be plenty of time for policy makers to consider the implications of these changes and to devise policies that would counter any adverse effects. Should we expect adverse effects? The argument so far suggests that we should not. The country does not need additional people so there would be benefits in adding only two million rather than three, and if the real costs of dependency are taken into consideration a more mature age structure will be an asset rather than a burden. Nevertheless there is a further logic in the figures. Just as the mathematics of growth dictate that it cannot go on for ever, so there is a similar logic to decline. If it goes on for long enough there will be no one left.

At some point it is probable that some people, perhaps the power elite, perhaps the electorate, would make the value judgement that the Australian nation should continue and that it would be worth trying to institute policies that would lift fertility to replacement levels. If this attempt should be made, the policy maker of the future would have a lot of scope. For centuries we have been content to privatize the greater part of the costs of children and socialize the benefits. Some of the gains that will be made from the fall in real dependency could well be redirected to the parents who bear the greater part of the burden of this real dependency. But from a social rather than a demographic point of view we should not wait until we are afraid of real decline beyond some optimal level. We should act now. There are too many children living in poverty, and too many parents struggling under an unfair load today.

In his book *The Birth Dearth* Ben Wattenberg discusses the selfishness of those who will not bear children, or who will not bear enough children, to avert the decline of the West, including the market system which is an integral part of its culture. Many of his ideas about the need to be fruitful and multiply in order to protect the values of Western capitalism are illogical. Values and cultures are sets of beliefs. Their strength is not measured by the numbers of babies born to the people who already believe them, but by the number of people who can be convinced that they are good and useful beliefs. Some of Wattenberg's other ideas are sensible. He makes it clear that the Western democracies have made no real attempt to offer substantial assistance to parents, and that non-coercive pro-natalism in some eastern European countries has had positive effects.

But his least defensible idea is that young people in the West who choose to avoid or minimize parenthood should be castigated for their selfishness (Wattenberg, 1987: 137-9). We live in market economies predicated on the notion of individual self interest: look after yourself and the invisible hand will take care of the greater good. Of course this is a very limited prescription and in fact the Western democracies are continually modifying it, and adopting regulations and laws to take care of the multitude of circumstances where the prescription fails. But when they are looking at market failure and negative externalities they do not castigate the tax

dodgers, polluters, and speculators for their selfishness. They expect them to be selfish, and so they set about changing the rules so that in the new circumstances the pursuit of self interest will lead people to behave differently.

The prescription of self interest as a guide to behaviour does not always guarantee the greater good of the greater number, and it has been criticized for more than this. People have also found flaws in the assumptions on which it is based. There is no need to pursue their arguments here, but economic man was always a shallow, unconvincing creature although many governments and policy makers have believed in him. But they are having trouble with economic woman; she was never part of the prescription. While it was assumed that he would pursue his rational self interest, it was assumed that she would not. Economic woman now has a little more freedom to realize her own needs, the social structure now exacts an even higher cost from her for the selflessness of motherhood, and we now have economic persons and market failure in the business of reproducing human beings.

Of course there is more to understanding low fertility than analysing the costs of children; if economic considerations were all, parents would have given up their unprofitable habits decades ago when the demographic transition first turned the tide of the inter-generational wealth flows against them.[6] But given the costs, the years of unpaid labour, the lost income, the housing and education costs, it is strange that an advocate of the market system like Wattenberg should scold for their selfishness those who choose to have fewer than three children. Rather he should be surprised if they have one.

There is plenty of scope to redress some of the costs of parent-hood with sensible housing policies, generous child endowment, parental leave, flexible working hours, high-quality free education, and child care. Some of these policies would cost the formal economy more as, in effect, unpaid labour became paid labour. We have had child rearing on the cheap for a long time, and greater social equity, as some of the costs are transferred from those who are bringing up children to those who are not, is a social reform that is long overdue. Besides, while most parents do a splendid job with very little help from the rest of us, a child reared on the cheap is not always a bargain. Alienated, unsocialized young people with a grudge against their elders are unpleasant to meet and can involve taxpayers and householders in considerable expense.

But not all of these reforms would cost non-parents more than the present arrangements. For example, properly funded child care could save the taxpayer as much as it cost, and might even generate revenue as more parents entered the workforce and the investment made in their training and education was put to fuller use (Centre for Economic Policy Research, 1988: 3, 7, 20-21). Moreover, only profiteers would be hurt by policies that discouraged speculation in housing and encouraged the creation of housing for use. Home-ownership for one-income families has now almost vanished. This puts pressure on parents, but the circumstances behind it affect us all as resources are diverted from productive investment into the scramble for real estate.[7]

A society that treated children well and gave their parents a fair go would be a more agreeable society for all of us, and if at some time in the future we decided that fertility should in fact rise a little, the policy foundation would be there. Young has shown that Australian public policies offer less support to parents than almost all other developed countries (Young, 1989b: 47-8). She writes that the "United States, Canada and Australia are unique in that they are the only [developed] countries which have no overt policy to maintain their level of fertility and at the same time support a significant level of immigration". But per head of population, Australia's migration rate is three times as high as that of Canada or the United States (Young, 1989b: 51).

So the answer to the question "Does low fertility matter?" is, from a demographic point of view, "In itself, at present, no" because we do not need to grow. But inasmuch as immigration is being pursued as a substitute for natural increase there are some worrying questions for the quality of the natural and urban environment and possibly for the kind of political culture that we will need if public welfare policies for people of all ages are to be sustained. Beyond this, below replacement fertility may be an indicator of the social injustice in our present child-rearing arrangements. These place an unfair burden on parents, particularly mothers, and have adverse implications for the whole society. For social, not demographic, reasons we should do something about this injustice now.

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APPENDIX: **Actual and Projected Percentage Distributions by Age of the Population of Australia 1861 to 2030[8]**

Year	Projection input		Age			Numbers
	TFR	net migration (thousands)	0–14	15–64	65+	(millions)
1861			36.3	62.7	1.0	
1871			42.1	56.2	1.7	
1881			38.9	58.5	2.2	2.3
1891			36.9	60.1	2.9	3.2
1901			35.1	60.8	4.0	3.8
1911			31.7	64.0	4.3	4.5
1921			31.7	63.9	4.4	5.4
1933		Actual	27.5	66.0	6.5	6.6
1947		Data	25.1	66.9	8.0	7.6
1954			28.5	63.1	8.3	9.0
1961			30.2	61.3	8.5	10.5
1971			28.7	63.0	8.3	13.0
1981			25.0	65.3	9.7	15.0
1986			23.1	66.2	10.5	16.0
2021	2.1	0	19.5	63.8	16.7	19.0
	1.8	0	16.9	64.4	18.7	18.8
	1.6	0	15.2	65.1	19.7	17.9
	1.6	80	16.0	66.4	17.6	21.8
	1.6	140	16.5	66.8	16.7	23.7
	1.8	140	18.1	65.9	16.0	24.7
2031	1.8	0	16.3	61.4	22.3	18.8
	1.6	0	14.1	61.8	24.0	17.5
	1.6	80	15.0	63.5	21.5	22.5
	1.6	140	15.6	64.3	20.1	25.2
	1.8	140	17.6	63.6	18.8	26.8

ENDNOTES

1. Unpublished projections prepared by the Australian Bureau of Statistics in 1985 for 1981 to 2021. The series prepared in 1988 for 1987 to 2031 did not include an assumption for replacement fertility: see appendix; see also Young, 1988.

2. The first was prepared by J.R. Wilson. It was commissioned by the McMahon Government in 1970 (at the same time as Borrie began work on the National Population Inquiry). It was completed in 1977 but was deemed unsatisfactory and was not tabled in Parliament: see MacKellar, *Commonwealth Parliamentary Debates: House of Representatives*, 5 Oct. 1977, pp.1633-4. The second was prepared by the Committee for Economic Development of Australia (CEDA) and the Department of Immigration and Ethnic Affairs. This found that the effects of immigration on per capita economic growth were "debatable" and "unclear": see Norman and Meikle, 1985: 46, 52, 60. The FitzGerald Committee's consultants used a model that did find an association between immigration and a slight increase in GDP per capita if the programme were restricted to a tight emphasis on young, highly skilled people. But this increase was associated with a fall in real wages, implying lower returns to the economy and, by inference, greater social inequality: see Centre for International Economics, 1988: vi, 59, 63-4. The Report itself does not mention these negative findings but the case it does present has been cogently criticized by Bills (1988).

3. In 1981 an ABS survey found that 31.7 per cent of people over the age of 64 were handicapped to some degree, but only 9.9 per cent were classified as "severely handicapped in self care" which meant that they needed help or supervision in performing one or more of the activities of showering, bathing, dressing or eating. Of these people over half (55 per cent) lived in private households. The remainder lived in some form of "health establishment": see Australian Bureau of Statistics, 1982: 14, 20.

4. *Canberra Times*, 18 May, 1989, p.9: AAFI, Box 24, Armadale, Victoria 3143.

5. An *Age* poll (9 Feb. 1988) found that two-thirds of respondents were opposed to the current programme. In the 1960s less than one third were opposed: see Betts (1988b: 70-3).

6. The concept of intergenerational wealth flows is taken from Caldwell (1976) though I am aware that he means it to include more than economic benefits.

7. See Hayward and Burke for the effects of the recent changes in taxation policy that have reintroduced negative gearing and fuelled speculation in land and housing (1988: 16-18).

8. Figures on the past age structure of the population are taken from Australian Bureau of Statistics, 1988b. The figures for 2021 Projections are taken from published and unpublished

projections associated with Australian Bureau of Statistics, 1985, 1988c. (The projections involving net immigration are published in these volumes, those that do not assume a net effect from immigration are unpublished.)

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