

Our changing problems

By **JOE MCGARRITY**

When I was a kid, scientists worried that we were on the cusp of a new Ice Age. They fretted that people would struggle when dealing with the forecasted colder temperatures. Now scientists have the opposite concern; they worry about global warming. There have been other reversals. Decades ago, scholars and the public worried that the world's population was growing so fast that humanity would suffer from depleted resources and a lack of food. Today, we have the opposite concern. In many countries, the population is shrinking, mostly because women are having fewer children. For a country's population to remain stable, each of their women must, on average, have at least 2.1 children (this number is higher in undeveloped countries). Many Western European countries, as well as India and China, are not meeting this threshold.

Decades ago, people dealt with the fear of overpopulation in different ways. In China, the government passed a one child policy, which discouraged women from having more than one kid. In the United States, social pressure persuaded many women to forgo having children. I have several

married friends who succumbed to this pressure.

When countries believed that their populations would continue to grow, they adopted policies that would work well – as long as their beliefs were correct. With growing populations, countries could afford generous social welfare programs that allowed retirees to enjoy payments to supplement their retirement savings and to finance healthcare insurance. Many retirees expected to receive these benefits for two decades. The government had been able to afford these generous programs because the pool of workers paying taxes kept growing.

These programs will not be sustainable in their current form in countries that are experiencing low birthrates. The ratio of retirees to workers is getting larger as retirees live longer and as women have fewer babies (and therefore fewer potential workers).

The shrinking populations could play out in several ways and each scenario has a different implication. First, it is possible that the population trends will change. Just as concerns about global freezing gave way to concerns about global warming, and fears of population growth gave way to fears of population shrinkage, our present fears

about shrinking populations may seem silly years from now if our populations start growing again. In this case, our social welfare system should be safe and not face extreme pressure.

Second, the populations could continue to decline. If this happens, many developed countries will face political challenges. Retirees and others dependent on the extensive social welfare system might be asked to accept lower benefits than they anticipated. Workers may also be asked to pay much higher taxes than they anticipated. Both these groups will be irate, and this irritation may manifest itself in social unrest. This scenario will be the most challenging to navigate.

Luckily for the United States, we allow enough immigration so that our population has not shrunk. This immigration should lessen our political challenges. It will be interesting to see what happens in developed countries that have shrinking populations but that do not allow many immigrants to come in. These countries will face much more severe political challenges than we will face in the United States.

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