Low Fertility and Low Economic Growth

The Importance of Marriage and the Family

By Father John Flynn, LC

ROME, OCT. 9, 2011 (Zenit.org).- Fewer children and diminishing numbers of married couples will have a significant impact on economic growth and the ability of governments to finance welfare programs.

This is the warning contained in a report just published, “The Sustainable Demographic Dividend: What Do Marriage & Fertility Have To Do With the Economy?” It was released by the Social Trends Institute and co-sponsored by a number of family groups and universities.

The Social Trends Institute is a non-profit research group, based in Barcelona, Spain, and New York City, that concentrates on four subject areas: Family, bioethics, culture and lifestyles, and corporate governance.

The long-term fortune of economies will rise or fall depending on what happens with families, according to the report. There are two main trends that are a cause for concern, First, dependent elderly populations are sharply increasing at the same time productive working-age populations stagnate or even decline in many developed countries.

Second, there is a major decline in the number of children being raised in intact, married families.

The term demographic dividend in the report’s title was used by some economists to describe the boost to economic growth experienced in a number of Asian countries where population growth was sharply reduced. This freed up resources that were used to stimulate economic growth.

This dividend is really more of a loan, and one which has to be repaid. The economic stagnation that Japan has experienced in recent years is in part due to the low fertility that it has had since the 1970s, according to the report.

There’s a warning in that for China, the authors noted, which itself saw the fertility rate fall below replacement level in the 1990s. China will very likely see a reduction in its economic growth in coming decades as its workforce shrinks.

Replacement
In more than 75 countries the fertility rate is now below the replacement level - 2.1 children per woman - that is needed to maintain a steady level of population.

The average woman in a developed country now bears just 1.66 children over her lifetime, the report noted. Already the number of children age 0–14 is 60.6 million less in the developed world today than it was in 1965.

Low fertility is also a reality in many less developed countries the report pointed out. The number of births per woman was slashed in a single generation from six or more to less than two in countries such as Iran, Lebanon, Chile, Cuba, Thailand, China, Taiwan, and South Korea.

Overall the global population is still rising and United Nations projections estimate that the total number could reach up to 10 billion from the current 7 billion.

But, the report clarified, this will be a very different type of population growth than we have had in the past. Up until very recently numbers grew due to the increase in young people.

In the coming decades, however, the U.N. projections calculate that 53% of population growth will come from due to the greater number of people over 60. Only 7% will be due to having more people under 30.

Between 1990 and 2010 the number of those in the age range of 15–64 grew by 1.3 billion. Because of falling fertility the population of those in this working-age range is only forecast to increase by about 900 million between 2010 and 2030. In many European and East Asian countries the working-age population will, in fact, decline.

In Western Europe, for example, during the next two decades there will be a decline of 4% in the 15-64 year age group, and that is assuming that there will be 20 million new immigrants. At the same time the population over 65 is set to swell by 40%.

Already a number of Western European governments have been forced to cut welfare programs and raise the age at which people are eligible for pensions, due to the financial pressure of financing the welfare state. Meanwhile, in the United States, starting in 2010 Social Security began to pay out more to the retired than it received from those in employment.

Quality

Economies will suffer not only due to fewer workers but also because of lower quality. Marriage is on the downturn in many countries around the world. A combination of divorce, cohabitation and single parents means that large numbers of children are raised outside of intact married families.

This is particularly the case in many European countries and in the Americas. In these countries 40% or more of children are born without their parents being married.

Many of these births are to cohabitating couples, which are much more unstable than marriages. The report looked at the case of Sweden, which has 55% of children born outside of marriage. In spite of the broad social acceptance of cohabitation and the legal and financial support these couples receive, such families are much less stable than married couples.

A recent study found that children born to cohabiting couples were 75% more likely than children born to married couples to see their parents break up by age 15.
As a result Swedish children living in single-parent families are at least 50% more likely to suffer from psychological problems, to be addicted to drugs or alcohol, to attempt suicide, or to commit suicide than children in two-parent families.

As well, research shows that children growing up in unstable families are much less likely to succeed in their studies and obtain good jobs. It is also documented that men who marry and remain married work harder and earn more. This happens in a variety of cultures and nations, ranging from Israel to Italy, Mexico and the United States.

According to the report, “countries that enjoy a comparatively strong marriage culture—such as China, India, and Malaysia—are likely to reap long-term economic dividends.” Many countries, however, are not in that fortunate position.

Proposals

The report wasn’t all doom and gloom. There are a number of ways in which families can be supported and it made a number of recommendations.

-- More support for family farms and businesses, which will ensure greater financial stability for families.

-- Help young adults obtain secure permanent employment, instead of casual or contract work. Secure careers will enable them to start a family and have children.

-- Provide affordable housing. High cost housing is associated with low fertility around the world.

-- More flexible employment practices that will enable women who prefer to balance family responsibilities with a career to do so without having to either drop out of the workforce or be full time.

-- Governments should support marriage and educate people about the advantages of marriage and the deficiencies of single parenthood.

-- Encourage saving by young adults and also give greater financial support to couples with children.

-- Contemporary culture is anti-family and promotes promiscuity and moral corruption, an effort needs to be made to clean up popular culture.

-- Governments should respect the positive contribution made by religion to family life.

Pope Benedict XVI recently spoke out about the importance of marriage. Addressing a group of engaged couples during a visit to the Italian town of Ancona he encouraged them to overcome the cultural challenges to marital fidelity.

“The stability of your union in the sacrament of matrimony will enable the children that God wishes to give you to grow confident in the goodness of life,” the pope said.

“Fidelity, indissolubility and transmission of life are the pillars of every family, a true common good, a precious patrimony for the whole society,” he added. Good advice not only religious, but also economic.
Reprinting ZENIT's articles requires written permission from the editor.