

### 3.2 Are Babies Making a Comeback? Interview with Professor Herwig Birg

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- ❖ ***The widespread decline in period fertility to extremely low levels is over, claim the authors of "The end of 'lowest-low' fertility?" (published in the January 2010 issue of the quarterly "Demographische Forschung aus erster Hand" (First Hand Demographic Research)). In their analysis of recent fertility trends, Goldstein, Sobotka and Jasilioniene (2009) find a turn-around in so-called "lowest-low" fertility countries. According to their findings, Moldova was the only remaining European country with fertility rates below the 1.3 threshold in 2008, compared to 16 lowest-low fertility countries in 2002. Fears of population implosion based on continuation of fertility rates from the 1990s are no longer justified, claim the authors. Are there signs of a turnaround in population trends in Europe?***

Even before the article by Goldstein, Sobotka and Jasilioniene (2009) was released, Hans-Peter Kohler and Mikko Myrskylä of Penn's Populations Studies Center and Francesco C. Billari of the Università Bocconi published a study entitled "Advances in development reverse fertility declines" in the journal *Nature*. In the same issue of *Nature* (August 6, 2009), Shripad Tuljapurkar from the Stanford Center for Population Research published a supplementary contribution entitled "Babies make a comeback", in which he claims that in many industrialised nations including Germany, Italy and Spain, fertility levels might move back again towards the replacement level. Therefore, world population projections should be adjusted accordingly.

My critical review of the articles in *Nature* was published in the February 2010 issue of the journal "*Bevölkerungsforschung Aktuell*". Using the example of Germany first, I revealed the non-existence of the claimed rise in fertility rates in Germany. Secondly, I showed that the arguments on which the non-existing fertility rise relies are untenable. Last but not least, I also pointed out the severe weaknesses of the methods of analysis used in the study.

There is a further example of such a glaring mistake in the history of fertility research. According to the demographic transition theory, which is, in fact, not really a theory, but rather a description of demographic tendencies, birth rates cannot sink below death rates over the long term. Since a permanent disequilibrium is excluded from this model, shrinking population can at best be temporary.

However, Germany has had a below replacement-level birth rate for almost half a century and the number of deaths has been below the number of births since 1972. The deficit of births has been increasing from year to year. In recent years, almost all industrialised countries, and increasingly more emerging and developing countries, have taken the same path: they have birth rates below the replacement level. The authors do not question these trends, and they even point out that their assumptions apply only to a few countries. If this is indeed the case, and the assumptions cannot be applied to the majority of countries, the question arises whether publishing these articles makes any sense at all.

Nothing indicates that the fertility rate will increase toward the replacement rate in the coming decades. Nor can this be forecast, since the factors outlined in my *biographic theory of fertility* ("A biography approach to theoretical demography", Birg 1987, 1991) which have led to decline in fertility rates will operate in the future as well. Finally, to conclude on the articles published in *Nature*: these are entirely descriptive statistical studies with no explanatory theory behind them. This is like hiking in the woods without a compass: there is a danger of getting lost and disappearing in the undergrowth.

- ❖ ***There are several explanations for the decline of fertility in Europe. What do you regard as being the most important causes of the declining fertility rate?***

You will find one thing that all European countries have in common: the explosion of biographical life course alternatives since industrialisation. This is the consequence of social and cultural liberalisation on the one hand, and economic dynamism and increased welfare on the other. The biographic universe has expanded as never before in the history of mankind. In our constantly changing social, economical and cultural environment the risk of long-lasting biographic decisions increases.

Long-term biographic commitments, like choice of a long-term partner or assuming parenting responsibility are important familial virtues, but they are diametrically opposed to virtues specific to economic life, like flexibility, mobility and the constant willingness to adapt to the changing needs of the labour market. In order to avoid the risks of irreversible biographic decisions, childbirth has been postponed and is then often given up entirely. Its consequence is a decline in fertility rates; not only in Europe but all over the world. It has been faster, however, in the most dynamically growing economies. For the world population as a whole, the number of children born per woman has halved in the last fifty years.

- ❖ ***Studies show that European couples want more children than they actually have. How can we encourage future parents to achieve their desired number of children?***

Couples do desire everything possible, not just children. Having goals is better than cultivating desires. The idea that the birth rate would increase if obstacles hindering the realisation of fertility desires could be removed is not really hitting the nail on the head.

There is a Europe-wide survey of the ideal number of children, in which people are asked what their desired number of children would be, if the state gave them all the support they wanted. On average, women and men want to have more than two children in most European countries. Nevertheless, the ideal number of children was below two in Germany and Austria. Removing obstacles and encouragement will naturally have no effect on people who do not believe that having children is self-evident and worthwhile.

- ❖ ***Regarding birth rates, Europe is divided into two parts: a small group with comparatively high birth rates and a larger group with low fertility levels. The birth rate is exceptionally low in Germany, among the lowest in Europe. What are the main reasons for this?***

An often neglected, common denominator of the diverse reasons for the low birth rate in Germany is the historical fact that in one single century, the people of Germany have witnessed two World Wars, the hyperinflation of the 1920s, the world economic crisis of the 1930s, two dictatorships, and the 40-year-long division of the country. Furthermore, they had to cope with the social and economic transformation in the former GDR. Could you imagine that such experiences would not shake people's confidence in the future? Formation of families no longer goes without saying: it becomes a risky project.

However, it is not only negative historical experiences that have contributed to the decrease in fertility. Even positive experiences of dynamic economic growth, such as during the period of the economic boom, paradoxically had a negative impact on birth rates, mainly due to the increased parallel economic and biographical opportunity costs of having children. Therefore instead of rising, the birth rate fell to 0.7 live births per woman in Eastern Germany after reunification. I have introduced the term "*demographic-economic paradox*" for the negative relationship between economic prosperity (production) and demographic reproduction – a paradox that can only be explained by the biographical theory of fertility.

Another important historical foundation is the establishment of the universal social security system by Bismarck in the 1890s. Since then, there has

been a kind of illusion of stability: people believe that they do not need to have children of their own to ensure that they will be looked after in old age or when facing severe illness. Paradoxically, only a few know that the realisation of this belief is impossible in the case of a pension system operating on the “pay-as-you-go” principle. And those who know it ignore it.

❖ ***What can be expected in the next 50 years regarding population development in Germany? Consequently, how will the German society change?***

We are dealing with a simultaneously growing and shrinking population. The number of people aged 60 and over will increase by about 10 million to 28 million from the end of the twentieth century to 2050, and will decrease again to the initial 18 million by the end of the twenty-first century. The number of people in the 20 to 60 age group, which is the key age group for the economy, will shrink continuously up to the end of the twenty-first century; by 16 million by 2050, and then by another 10 million by the end of the twenty-first century. These estimates even take immigration effects into account.

The impact of these developments will transform Germany into a permanent social and economic construction site. The country might not be recognisable anymore. Such a development of course involves enormous political risks. The twenty-first century will be a very uncomfortable one anyway, even without any further wars. This could be unbearable for the German disposition (“Gemüt”). Nevertheless, it should be noted that immigrants with a different mentality will become the majority of the population in the younger age groups.

❖ ***How could Germany manage the challenges of demographic change?***

Policy should pursue two strategies in parallel. First, an adaptation strategy, which would help all sectors of the economy and society to optimally adapt to the process of irreversible population ageing and decline, and to internationalisation caused by immigration. Secondly, a cause-oriented policy promoting the long-term recovery of demographic stability by achieving replacement level fertility.

Currently there is no political force in Germany that is interested in a cause-oriented strategy with long-term targets. Up until now, political parties have sold demographic problems to the voters as “opportunities of population decline” and “opportunities of population ageing”. A shift has become impossible, the first party initiating a change would be voted down first. Demographic issues were not considered as important in the last

Bundestag elections. Politics seems to be bent upon continuing until reaching the end of the blind alley.

- ❖ ***Let's talk about the sensitive issue of immigration: as the German population ages and shrinks due to a persistently low birth rate, many voices demand considering admitting more immigrants. However, there are also many concerns about immigration. Is there a way to resolve this contradiction?***

For a long time now, Germany has been replacing non-existent German children with immigrants from abroad. The annual number of immigrants has exceeded the number of births for decades. This is still so, although figures suggest that the number of emigrants temporarily exceeded the number of immigrants in 2008.

Some say that immigration problems will be defused if more people are leaving the country than are entering it. But this is not true. Even if the migration balance is zero or negative, 700,000 people or more move into the country from abroad every single year. Since they have an average length of stay of 10 years, 700,000 people need to be integrated from year to year. Simultaneous emigration does not help to solve this problem. Like in a hotel: even though the number of guests checking in and checking out is equal and the migration balance is zero, the hotel still does need a kitchen and a catering staff.

Despite the recently negative migration balance, Germany is still characterised by a policy of compensatory migration. This is, however, a dead end; the annual deficit of births will rise to 800,000 by the middle of the century. This deficit can hardly be compensated for by immigration. What really counts is the negative economic balance-sheet of immigration, not to mention the consequences for democracy if the majority of immigrants come from cultures with human rights problems.

- ❖ ***What are the consequences and challenges of the current demographic trends for families? What challenges will arise for families as result of demographic changes?***

The Federal Constitutional Court declared German long-term care insurance unconstitutional, because in favouring childless citizens it violates the general principle of equality, the supreme principle of democracy. The court based its verdict on the demographic fact that long-term care insurance can only perform its task if people act in two areas: first, financial contributions must be paid, and secondly, children must also be born, raised and educated, in order to help preserve pay-as-you-go funding of the social insurance system with their contributions.

People who only pay a monetary contribution and still acquire the same rights to care as people who make a material, i.e. "generative" contribution, in the form of raising children, are privileged according to the court verdict. The same argumentation is applied by the court to the pension and health insurance system. The entire German social security system is therefore unconstitutional.

The result is not only a conflict of interest between contributors and beneficiaries - that means between the old and young generations, but also a conflict between the group of people with and without children within each generation. The biggest challenge for families is to bear the growing injustice resulting from privileging members of society without children, and to put up with the fact that this injustice is ignored by policy makers. In Germany those who do not have children benefit the most from this situation.

❖ ***Considering current family policy practice, what are your main recommendations for Germany? How could family policy become more effective?***

In Germany, family policy focuses on people who already have children. At the same time, the proportion of people who remain childless throughout their lives within each generation is already one-quarter to one-third, and these figures are much higher among highly educated people. There should be a new policy approach for the group of childless people, so that parenthood becomes a natural element of life planning again.

Apart from that, Germany should pursue a family policy which allows both men and women to achieve their career goals and to start families simultaneously, taking France as an exemplar. So far, these two life orientations are almost mutually exclusive in Germany. Germany would probably need bipartisan coalitions to achieve the political majority needed to create and sustain effective family policies. This is still a utopian demand, but in twenty years, when demographic problems become more apparent, it might come to coalition-forming in favour of families. It might even become possible to change the constitution or the electoral law, so that parents could exercise votes for their underage children. Something similar is already included in the property rights system: children can have property rights regardless of their age, exercised by a parent until they have legal capacity.

❖ ***What can and what should the economy do in order to improve living conditions for families?***

The economy is the key factor for both family formation and birth rates. It is even more important than formally responsible family policy actors such

as the German Ministry of Family Affairs. In Germany, every fourth position is refilled each year. Companies should –voluntarily consider the following principle when filling vacancies, without being bound by law: where applicants have the same qualifications, priority should be given to those candidates who have family or care-giver responsibilities.

This measure would meet the important goal of creating a very dynamic economy. Since every employer has the right to define vacancy requirements in a way that only a very specific applicant profile matches them, the principle cannot be enforced legally; it could be implemented voluntarily. However, this should not be an argument against the proposal. Since all really important and valuable behaviour patterns are voluntary and are based on insight.

❖ ***What societal changes being driven by demographic change should we be prepared for in tomorrow's Europe?***

Demographic development will lead to accentuation of conflict in several areas, without being driven by specific forces or groups responsible for it.

1. Since the number of elderly is growing, whereas the number of people in the middle age groups is stagnating or shrinking significantly, as in Germany, the clash of interests between social security beneficiaries and taxpayers, between the old and new generation, will intensify.
2. In addition, a conflict of interest will also emerge within each generation between individuals with and without children, because childless people are favoured by the system, as long as they only make monetary contributions but make no material, i.e. "generative" contribution to the funding of the social security system, but nevertheless acquire the same rights to care as people with children.
3. Due to the strong migration flows between communities and regions (internal migrations), regional living spaces will be split into some for winners and some for losers. The economically stronger in-migration regions will prosper at the expense of out-migration areas, both economically and demographically. Internal migration will lead to a kind of demographic colonialism, which continues the process of demographic colonialism caused by international migration, within the country.
4. At the national level, continuous immigration from abroad combined with the birth surplus of the immigrant population will result in the following change: the current majority will become the minority in the younger population groups.

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