

North-South Problems from The Demographic Viewpoint

***Philip M. Hauser
Hekmat Elkhanialy***

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Philip M. Hauser*
Lucy Flower Professor Emeritus
Department of Sociology
University of Chicago
and
Director Emeritus
Population Research Center
University of Chicago

Hekmat Elkhanialy
Consultant Demographer

* Dr. Hauser was a short-term visiting Senior Fellow at NUPRI from mid-October to mid-November 1981. He is also chairman of the NUPRI International Expert Committee.

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A B S T R A C T

North-South tensions arise from the great and increasing gap in levels of living. Rapid population growth serves as a barrier in the less developed countries, the South, in their efforts to increase GNP per capita. Even zero population growth between 1979 and 2000 would make it impossible for most nations in the South to match GNP per capita in the "upper-middle income" nations, let alone GNP per capita in the "high income" countries, Japan, or that of the United States. Economic development efforts must include policies and programs to decrease fertility and dampen rates of population growth. By reason of the dim outlook significantly to decrease the income gap between North and South, consideration should be given to meeting South "basic needs."

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I. Introduction

The frictions between the more developed countries (MDCs) and the less developed countries (LDCs) arising from the great differences in levels of living have become known as "North-South" problems. This geographic reference to the world's most dangerous source of international tension and conflict is not without justification. The preponderant proportion of the poorer nations lie South of the more affluent nations, including Europe, the Soviet Union, the United States and Japan. Tension between nations in the North and in the South have heightened in recent years and are exemplified in the stalemate which has existed since the demand of the developing nations for a "New International Economic Order" (NIEO)--as argued at the World Population Conference held in Bucharest during the United Nations Population Year in 1974.

More recently, as the more affluent nations have resisted the demands of the developing nations, the LDCs have with increasing insistence called for "Global Negotiations." Such negotiations would require consideration of reforms in the International Monetary Fund and other United Nations specialized agencies, arrangements for more favorable transfer of technology, increases in foreign aid, agreements to protect raw material prices, and more favorable trade relationships. The tensions generated by the demand for Global Negotiations came to a head in the Cancun Meetings in Mexico where leaders of some 22 nations, containing about half of the world's population, participated in the North-South summit.

At the outset of the Cancun meeting the MDCs were divided in their attitudes towards Global Negotiations. Western Europe, Japan and Canada were, in general, inclined to participate in Global Negotiations whereas the United States was not. Moreover, the United States as represented by statements from President Reagan and Secretary of State Haig in advance of the Cancun Summit took the position that adoption by the Third World of free market systems, free trade, and dependence on private investment were the pathways to development; whereas the other more affluent nations put greater emphasis on increased foreign financial and technical assistance to accelerate economic development in the LDCs. A number of the Western nations, among them Japan, believed that increased assistance to the LDCs was

necessary, not only for humanitarian reasons but, also, in the interest of the MDCs and the entire world economy.

The outcome of the Cancun meeting may be described as ambiguous (J. Times, 1981). The only recommendation was to continue Global Negotiations at the United Nations, a recommendation in which, to the surprise of some nations, the United States concurred. However, there was no agreement on when and how the negotiations were to proceed. Furthermore, the United States made it clear that it would not be bound by any majority vote in the UN General Assembly so that although the negotiations were to continue at the United Nations where they had been stalemated for some years, there was no certainty about how the issues were to be resolved.

The gap in levels of living between the MDCs and the LDCs embraces many things but is generally most often measured by differences in GNP per capita. Imperfect as this measurement is for gauging the level of living of a people, it is the most convenient way, by and large, for making international comparisons.

The 1978 world GNP per capita averaged about \$1800. GNP per capita in the MDCs reached over \$5200. In contrast, GNP per capita in the LDCs was under \$500, less than one-tenth that in the MDCs. In Japan GNP per capita was \$7539; and in the U.S. GNP per capita was over \$9700.

II. Historical Background

Prior to examining the impact of population size and growth on differences in GNP per capita in the LDCs and MDCs between 1979 and 2000, it is in order to review what happened prior to 1980. As Dr. Paul Demeny has shown, the gap between GNP per capita in the North and South increased between 1960 and 1980 (Demeny, 1981). GNP per capita in the North increased by over four percent per annum during those two decades, whereas in the South it averaged less than three percent. Similarly, the Overseas Development Council (ODC) called attention to the fact that between 1960 and 1973 the proportion of world GNP generated in the LDCs diminished from 19 to 17 percent. The ODC also reported that during this same period the proportion of total world trade in the LDCs decreased as did also the proportion of total world expenditures for education and for public health.

Of the other items studied, only in total world population and total world military expenditures did the share of the LDCs show an increase (Hansen, 1976).

The widening gap in income per capita, it is to be emphasized, occurred despite the various programs to raise the LDC levels of living by the U.N. and the Specialized Agencies, and by the other multi-lateral and bilateral programs in both the public and private sectors.

Differential population growth rates played an important role in the widening of the GNP gap between 1960 and 1980. As Demeny reports population growth in the South reached 2.29 percent per annum between 1960 and 1980 but averaged less than one percent per annum in the North (Demeny, 1981).

Since aggregate growth of output was about the same in the North and South during that period, it is clear that differential population growth was the more important factor in the widening of the income gap.

The role of population growth in affecting GNP per capita in the North and South has been demonstrated for the period 1970 to 2000 (Hauser, 1979). Hauser has shown that to match the 1970 GNP per capita of Northern America, Europe and Mexico, even with zero population growth from 1970 to 2000, the LDCs would have greatly to increase their aggregate GNP. To match the 1970 GNP per capita of Mexico the LDCs would have to increase their GNP 4.3 times; by 9.7 times to match that of Europe; and by 27.4 times to match that of Northern America. If the LDCs population grew by 2000, at the "low" and "high" rates, respectively, projected by the United Nations, then the LDCs in the aggregate would between 1970 and 2000 have to increase their GNP by multiples ranging from 7.6 times to 8.6 times to match the 1970 GNP per capita of Mexico; by multiples of from 17.4 to 19.6 times to match the 1970 GNP per capita of Europe; and by 49.0 to 55.0 times to match the 1970 GNP per capita of Northern America (Hauser, 1979).

The Overseas Development Council has classified the nations of the world into four categories by income per capita (Sewell et al., 1980; United Nations, 1979; and Population Reference Bureau, 1981). This classification, together with the 1979 population and the UN medium variant population projection to 2000 for each class are given in Table 1.

Table 1. Countries Classified by GNP per capita in 1978, 1979
Population and UN "Medium Variant" Population
Projection to 2000

Countries by GNP per capita	1978 GNP per capita (U.S. Dollars)	1979 Population (millions)	UN Population Projection to 2000
Low Income	176	1,132	1,853.5
Lower-Middle Income	454	1,444	2,052.8
Upper-Middle Income	1,347	597	990.0
High Income	6,300	1,146	1,322.8
Developed Countries	6,468	1,074	1,345.0
Developing Countries	597	3,245	4,866.0

Source: Overseas Development Council and UN "Medium Variant" Projections (1978).

Even with zero population growth between 1979 and 2000 no longer possible, the LDCs could not have equaled the 1978 GNP per capita of the MDCs, let alone that of Japan (\$7,539) or the United States (\$9,700). With zero population growth between 1979 and 2000 the LDCs would have had to increase their aggregate GNP by a multiple of 10.8 times, or achieve an annual GNP growth rate of 12.0 percent (geometric) for 21 years. With UN medium variant population growth the LDCs would have to increase their GNP 16.2 times, requiring an annual GNP growth rate of 14.2 percent. Both zero and medium variant population growth would necessitate unprecedented annual GNP growth rates for the 21 years between 1979 and 2000, as further elaborated in the "Summary and Conclusions" below.

III. Procedure

The use of the four categories of countries by GNP per capita level is more meaningful than the use of the dichotomous classification

of MDCs and LDCs, or of the North and the South. But it must be observed that the three lower GNP per capita levels include countries predominately among the LDCs--countries in the South; and that the "high income" level countries are predominately the MDCs, or countries in the North. Prominent exceptions are in Europe--Albania, Romania and Turkey which fall into the "upper-middle income" nations and the oil producing countries which, whether in Asia, Africa and Latin America, fall into the "high income" category (Sewell, 1980).

To gauge the affect of population growth on the increases in GNP necessary to match the 1978 GNP per capita of three targets, two population assumptions were employed. First, it was assumed as a fiction that there would be zero population growth from 1979 to 2000; second it was assumed that the population growth for the same period would be the "medium variant" projection of the United Nations to the year 2000 as assessed in 1978 (Table 1). The three targets utilized were the 1978 GNP per capita of the United States, of Japan and of the "high income" countries.

Aggregate GNP which must be generated to match these three targets were then calculated for the "low income", the "lower-middle income", and the "upper-middle income" countries. Also calculated were the multiples by which their 1978 GNPs must be increased to achieve the GNP per capita targets and the annual geometric rates of increase which would be necessary. Finally, similar calculations were made for the combination of the three lower classes of countries.

As an additional analytical device the two lower classes of countries--namely the "lower income" and "lower-middle income" countries--were treated in the same manner with the 1978 GNP per capita of the "upper-middle income" countries as the target.

The results of these calculations are given in Table 2 and 3.

A. Low Income Countries

1. Zero Population Growth

Given the two population assumptions, what is first considered is the increase necessary in aggregate GNP for the low income countries to achieve the three targets specified. To match the 1978 GNP per capita of the United States under the assumption of zero population growth in these countries, aggregate GNP would have to increase 55.2

fold or at a geometric rate of growth of 21.0 percent for the 21 years from 1979 to the end of the century. (See Table 2). To match the 1978 GNP of Japan the low income countries under the zero population growth assumption would have to increase their GNP 42.8 times, or at an annual growth rate of 17.6 percent. Finally to match the 1978 GNP per capita of the high income countries, the low income countries would have to increase their aggregate GNP by 35.8 times, or achieve an annual growth rate of 18.6 percent.

2. Medium Variant Population Growth

To match the 1978 GNP per capita of the United States under the United Nations medium variant population projections to 2000, the low income countries would have to increase their 1978 aggregate GNP by 90.3 times, a task which would require an annual growth rate of 23.9 percent. To match the 1978 GNP per capita of Japan, aggregate GNP would have to increase by a multiple of 70.2, or at an annual growth rate of 22.4 percent. Finally to match the average GNP per capita of the "high income" countries the low income countries would have to increase their aggregate GNP 58.7 times, or at an annual growth rate of 21.4 percent.

B. "Lower-Middle Income" Countries

1. Zero Population Growth

Under the zero population growth assumption the "lower-middle income" countries to match the 1978 GNP per capita of the United States would have to increase their aggregate GNP 21.4 times, requiring an annual growth rate of 15.7 percent. To match the Japan target they would have to increase their aggregate income 16.6 times, or achieve an annual growth rate of 14.3 percent. To match GNP per capita of the "high income" countries aggregate GNP must be increased 13.9 times, or reach an annual growth rate of 13.4 percent.

2. Medium Variant Population Growth

With the UN medium variant population growth, the lower-middle income countries to match the United States target must increase their aggregate GNP 30.4 times, or achieve an annual growth rate of 17.7 percent. To match the Japan target, aggregate income would have to be increased by a multiple of 23.6, or at an annual growth rate of 16.2 percent. To match the high income country target, aggregate

Table 2. GNP Necessary for the "Low", "Lower-Middle Income" and "Upper-Middle Income" Countries to Match by 2000, 1978 GNP per capita in "High Income" Countries, in Japan and in the U.S.A. under Zero Growth and Medium Variant Population Projection Assumptions

Countries by Income Level	To Match 1978 GNP per capita					
	of "High Income" Countries ^{1/}		of Japan ^{1/}		of the United States ^{1/}	
	Zero Growth Assumption	Medium Variant Assumption	Zero Growth Assumption	Medium Variant Assumption	Zero Growth Assumption	Medium Variant Assumption
(1) Low Income						
Aggregate GNP ^{2/}	7,130	11,677	8,532	13,974	10,977	17,979
Multiple ^{3/}	35.8	58.7	42.8	70.2	55.2	90.3
Rate ^{4/}	18.6	21.4	19.6	22.4	21.0	23.9
(2) Lower-Middle Income						
Aggregate GNP	9,095	12,933	10,883	15,476	14,003	19,912
Multiple	13.9	19.7	16.6	23.6	21.4	30.4
Rate	13.4	15.2	14.3	16.2	15.7	17.7
(3) Upper-Middle Income						
Aggregate GNP	3,761	6,237	4,501	7,464	5,791	9,603
Multiple	4.7	7.8	5.6	9.3	7.2	11.9
Rate	7.6	10.3	8.5	11.2	9.9	12.5
(4) Total						
Aggregate GNP	19,986	30,847	23,916	36,914	30,771	47,494
Multiple	12.1	18.6	14.4	22.3	18.6	28.6
Rate	12.6	14.9	13.5	15.9	14.9	17.3

^{1/} GNP per capita in 1978: "High Income" Countries, \$6,300; Japan \$7,539; U.S. \$9,700

^{2/} Aggregate GNP necessary in billions of U.S. Dollars

^{3/} Multiple by which GNP must increase to match 1978 GNP per capita of "High Income" Countries, of Japan and of U.S., respectively.

^{4/} Annual geometric rate of increase in GNP.

income must be increased by a multiple of 19.7, or reach an annual growth rate of 15.2 percent.

C. Upper-Middle Income Countries

1. Zero Population Growth

The upper-middle income nations, to match the United States target would have to increase their aggregate GNP 7.2 times or achieve an annual GNP growth rate of 9.9 percent in the 21 years until the end of the century. To match the Japan target these countries would have to increase aggregate GNP by a multiple of 5.6, or an annual GNP growth rate of 8.5 percent. To match the average of the high income countries as a target, the upper-middle income countries would have to increase their aggregate GNP by a multiple of 4.7, or reach an annual GNP growth rate of 7.6 percent.

2. Medium Variant Population Growth

Under the UN medium variant population assumption, these countries to match the United States target would have to increase their GNP 11.9 times, or reach an annual growth rate of 12.5 percent. To match the Japan target their aggregate GNP must rise by a multiple of 9.3, requiring an annual growth rate of 11.2 percent. To match the high income countries, aggregate GNP must increase by a multiple of 7.8, requiring an annual rate of 10.3 percent.

D. The Three Lower Categories of Countries Combined

1. Zero Population Growth

Next considered is the combination of the three lower income classes of countries. For these nations to match the 1978 GNP per capita of the U.S., even if they experienced no further population growth from 1979 to the end of the century, their aggregate GNP would have to be raised by a multiple of 18.6, or at an annual growth rate of 14.9 percent. To reach the Japan target aggregate income must be increased 14.4 times, or at an annual growth rate of 13.5 percent. To match the average high income target, aggregate GNP would have to be increased 12.1 times, or reach an annual growth rate of 12.6 percent.

2. Medium Variant Population Growth

Under the medium variant population growth assumption, aggregate GNP of these nations would have to be increased by a multiple of 28.6, or at an annual growth rate of 17.3 percent. To match the Japan target, aggregate GNP would have to rise 22.3 times, or at a growth rate of 15.9 percent. To match the average of the high income countries, aggregate GNP would have to be increased 18.6 times, or at an annual growth rate of 14.9 percent.

It is clear that the combination of the three lower categories of countries by GNP per capita in the aggregate, obscures the differentials shown when the more specific classes are considered. Similarly, of course, within each category of nations differences exist which are obscured when the individual countries within each category are aggregated.

E. The Upper-Middle Income Countries as a Target

The analysis presented above indicates the impact of projected population growth on increases in GNP required by 2000, by the three lower income groups of countries to match the 1978 GNP per capita of the high income countries, of Japan and of the United States, respectively. What follows is a similar analysis to indicate the increase in GNP necessary by 2000 under the two population assumptions, for the lower two groups of countries to equal the 1978 GNP per capita of the upper-middle income countries--a much more modest target.

The calculations made are presented in Table 3.

1. Zero Population Growth

Examined first is the increase in GNP necessary for the respective groups of countries to match by 2000 the 1978 GNP per capita of the upper-middle income countries--if they experienced no further population growth from 1979 to the year 2000.

Under this population assumption the low income countries would have to increase their GNP by a multiple of 7.7 times to obtain a GNP per capita equal to that of the 1978 GNP per capita of the upper-middle income countries. This would necessitate achieving an annual growth rate of 10.2 percent for the 21 years between 1979 and 2000.

Similarly, the lower-middle income countries would, under the

Table 3. GNP Necessary for the "Low" and "Lower-Middle Income" Countries to Match the GNP per capita in the "Upper-Middle Income" Countries^{1/}

Zero Growth and UN Medium Variant Population Projection Assumptions		
Countries by Income Level	To Match 1978 GNP per capita In "High Income" Countries	
	Zero Growth Assumption	Medium Variant Assumption
(1) Low Income		
Aggregate GNP ^{2/}	1,523	2,497
Multiple ^{3/}	7.7	12.5
Rate ^{4/}	10.2	12.8
(2) Lower-Middle Income		
Aggregate GNP	1,945	2,765
Multiple	3.0	4.2
Rate	5.4	7.1
(3) Total (1) and (2)		
Aggregate GNP	3,468	5,262
Multiple	4.1	6.2
Rate	6.9	9.1

^{1/} GNP per capita in 1978 of "Upper-Middle Income" Countries was \$1,347

^{2/} Aggregate GNP necessary in billions of U.S. dollars

^{3/} Multiple by which GNP must increase to match 1978 GNP per capita of "High Income" Countries and of U.S., respectively

^{4/} Annual geometric rate of increase in GNP

same assumptions, require a 3.0 fold increase in their GNP, or an annual growth rate in GNP of 5.4 percent. These two groups of countries combined would, to reach the same target, have to increase their GNP by 4.1 times, or achieve an annual GNP growth rate of 6.9 percent.

2. Medium Variant Growth

Next examined is the impact of population growth on GNP increase

necessary to meet the set target. If population were to grow as projected by the United Nations in its medium variant projections the task of matching the target, of course, becomes more difficult.

The low income countries with medium variant population growth would have to increase their GNP 12.5 times by 2000 to match the 1978 GNP per capita of the upper-middle income countries. This would require a GNP annual growth rate 12.8 percent. Similarly the lower-middle income countries would have to increase their GNP by a multiple of 4.2 times, or reach an annual GNP growth rate of 7.1 percent.

The combined low income and lower-middle income countries to meet the upper-middle income target would have to increase their GNP by 6.2 times, or increase their annual GNP growth rate to 9.1 percent.

IV. Summary and Conclusions

The analysis presented clearly shows the importance of population as one factor in the effort to raise levels of living as measured by GNP per capita in the developing countries. Other factors are, of course, also involved which are not here considered. Moreover, the measurement used for level of living GNP per capita has, as has been indicated, many limitations. Nevertheless, the data permit reasonable conclusions about the relationship between population growth and economic growth objectives.

The meaning of the annual rates of increase in GNP necessary for the lower income countries to reach the GNP per capita targets can be obtained by relating these rates to the growth rates in real GNP actually achieved by more affluent nations. The United States, for example, to achieve its high GNP per capita over the years, experienced an annual average increase of about three percent (U.S. Census, 1975). Japan experienced an annual growth in GNP averaging about four percent before World War II; and a remarkable rate of about eight percent per annum in the post-World War II years. Japan's economic growth rate between 1955 and 1975 reached two digit levels between 1958 and 1969 and peaked to a high of 13.5 percent per annum in 1960. However, as relatively high GNP levels were attained, the rate dropped to single digits of increase between 1970 and 1975 (Okita et al., 1979).

If the experiences of the United States and Japan are used as

models, it can be taken that two digit annual GNP growth rates for 21 years are unattainable by the LDCs; and that the probability is low for the LDCs even reaching high level single digit growth rate (above five percent per annum) for such an extended time period.

The calculations presented make it clear that even if the two lower classes of countries (low income and lower-middle income) were to experience zero population growth from 1979 to 2000, they could not possibly match the 1978 GNP per capita of the United States. Moreover, upper-middle income countries, even under the zero population growth assumption, would have great difficulty in matching the United States target. It is to be emphasized, of course, that the zero population growth assumption is unrealistic--these nations have continued to grow since 1978 and they are unlikely to achieve zero population growth between now and the end of the century. Under the assumption of the United Nations medium variant population projection to 2000, not even the upper-middle income countries stand much chance of matching the 1978 United States target.

It can be argued that the use of the United States as a target even with the assumption that its 1978 GNP per capita would not grow during the remainder of the century is unreasonable. But the exercise is nevertheless useful in two respects: it indicates the significant role that population growth plays in efforts to increase GNP per capita; and it conclusively demonstrates that the New International Economic Order, or successful Global Negotiations, cannot possibly raise the levels of living of the people in the lower three income classes of countries to match that of the United States by the end of the century. Thus, this exercise simultaneously demonstrates the importance of decreasing population growth rates in the LDCs in the interest of economic development and showing the necessity of setting limits to the expectations of peoples in the less developed countries.

If the 1978 GNP per capita of Japan is used as the target the same conclusions emanate. Even with zero population growth only the upper-middle income countries could possibly, by the end of the century, reach Japan's 1978 GNP per capita. Under the UN medium variant population projection assumption, it is not likely that even the upper-middle income countries could achieve the Japan target. Furthermore, the same conclusion can be reached even if the more modest average 1978 GNP per capita of the high income countries is set as the target.

Only the upper-middle income nations could have reached the specified target with zero population growth; and they would have great difficulty in reaching this target under the assumption of the medium variant population projections.

If the 1978 GNP per capita of the upper-middle income countries is utilized as the target, then the low income countries even under the zero population growth assumption could not have reached that goal. Under the zero population growth assumption, unrealistic of course, the lower-middle income countries could probably have reached the target by the end of the century. Under the medium variant population projection, however, the lower-middle income countries would experience difficulties in meeting the 1978 GNP per capita of the upper-middle income countries by the end of the century, but it would not be an impossible task.

V. Policy Implications

The calculations presented above have two important policy implications. One relates to the role of population policy in plans to achieve development in the LDCs. The second involves the setting of realistic goals in development during the remainder of this century. Both of these policy issues are addressed in the materials which follow.

A. Population Policy

The two population assumptions utilized in the analysis made demonstrate the role of population in development as measured by GNP per capita. The wide range in the extent to which GNP must be increased to meet the GNP per capita targets make explicit, ceterus paribus, the role of population in development. Certainly, it is clear that lower rates of population growth in the LDCs would facilitate increase in GNP per capita.

Ignoring migration, there are only two ways to dampen rates of population increase--to effect increases in mortality or decreases in fertility (or some combination of both) to bring about decrease in natural increase--the excess of fertility over mortality. Since increases in mortality are inconceivable as national policy the only

acceptable realistic policy to decrease population growth is to decrease fertility.

Family planning programs in the LDCs began in India in 1952 and diffused to other nations so that by 1977, 92 percent of the population in the LDCs resided in nations with policies to decrease fertility or with no objection to fertility control programs. Declines in LDC birth rates, however, did not achieve significance until the mid-1960s. Between 1965 to 1975 studies were made by the Population Council covering 94 developing countries with 2.8 billion persons or 98 percent of the total LDC population (Maoldin and Berelson, 1978). The studies reported that during that 10 year period, the birth rate in LDCs declined from 41.0 to 35.5, or by 13 percent. The evidence indicates that the birth rate in these nations has continued to decline since 1975. In assessing the state of population in the LDCs in 1978 the UN assumed a birth rate of 34.3 in the period 1975 to 1980; and a population growth rate of 2.2 percent per annum. Thus, the growth rate of the population of the LDCs has declined greatly from its level of about 3.0 percent per annum in 1950.

Despite the decline in fertility and population growth, too rapid population growth remains an obstacle to LDC economic development; and further reductions in both rates are required to accelerate GNP per capita increases in the decades ahead. The UN projections of population, as assessed in 1978, indicate that total LDC population may increase from 1980 to 2000 from 3.3 to 4.6 to 5.1 billion, or by 39 to 55 percent. Hence LDC population growth, even with the reductions thus far achieved, will continue to retard increases in GNP per capita. In consequence, policies and programs to reduce fertility and total population growth remain much needed elements of LDC development planning.

B. Basic Needs Approach

The GNP per capita targets set above--namely those of the United States, Japan, and the average of the high income countries and the average of the upper-middle income countries will all remain elusive for the predominant number of LDCs, for the remainder of this century. Given this fact, what is a realistic target for increasing the level of living of the LDCs in the two decades remaining in the 20th century?

The answer to this question appears to be, in addition to the continuation and possible significant increases of foreign aid programs, the adoption of the "basic needs approach" (Sheehan and Hopkins, 1978).

The basic needs approach is designed to help raise the levels of living among the poorest people in the poorest countries. It was designed in response to the failure of GNP growth strategy to improve the lot of the poorest people. It has become apparent that increases in national GNP per capita does not necessarily improve the lot of the poor. In a number of LDCs increases in GNP per capita has, in fact, been accompanied by a decrease in the share of GNP received by the lower income elements of the population (Morris and Adelman, 1980).

To meet basic needs of the poorest population elements the targets should be minimum levels of consumption--social and private. The latter includes adequate standards of food, shelter and clothing; and the former potable water, environmental sanitation, public transportation and adequate education and health facilities. The social consumption factor may also include nonmaterial things such as human rights and participation in policy and program determination.

Adoption of the basic needs approach calls for an orientation different than that taken above in calculating GNP per capita improvement. Research findings have shown, however, that GNP per capita considerations cannot be ignored even with the basic needs approach (Sheehan and Hopkins, 1978). There is a high correlation between increase in GNP per capita and meeting basic needs goals. In some matters such as life expectancy at birth, the gap between low GNP per capita countries and higher GNP per capita countries is diminishing. But in other matters such as expenditures for health and education, the gap is widening.

The adoption of the basic needs approach requires a dual goal. It is necessary to achieve an increase in GNP per capita while effecting a more equitable income distribution or, at least, increasing the share of GNP received by the poorest population elements. Needless to say, control of population growth would contribute to reaching both objectives.

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