

Foundations of Federal Fertility Policy

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For years, open discussion of fertility issues in governmental circles was taboo. Recognition of the effect of population growth in countries receiving United States economic aid and political maturation of the environmental movement gave added impetus to consideration of fertility issues. Increasing visibility, however, was accompanied by confusion. Some sought governmental initiatives aimed at reducing or stabilizing aggregate population size; others supported family-planning programs for the poor as a component of the Great Society, with emphasis on atomistic goals such as maternal and child health and parental choice in determining family size. Not only do goals and orientation differ, but also there is disagreement about the demographic evidence. Some argue that programs aimed at promoting choice and focused on the poor will achieve population stability while others believe such a limited target will not achieve populationist goals and indeed will run the risk of criticism as race or class legislation. So far, domestic legislation has conformed to atomistic family goals, focusing on the poor, but the current administration seems to be backing away from its commitment in line with a general de-emphasis of categorical programs. It may be that only by joining forces can family planners and population controllers resist erosion of previous political gains.

Introduction

While demographers for years have been concerned about the consequences of population growth and population distribution, it is only relatively recently that the demographers' concerns have become an important element of policy debate within the political arena in the United States. As recently as 1959, for example, President Eisenhower (1959) said that developing a program with respect to birth control was not appropriate governmental business, but by 1969 President Nixon felt obliged to transmit a message to the Congress relative to population growth (U.S. Congress, 1969). The involvement of the government in domestic fertility affairs is not easily described, much less easily explained. With respect to United States policy concerning population affairs overseas, a fairly definable progression took place in response to identifiable policy problems that arose in the developing countries. Such relative clarity does not exist as far as domestic policy development is concerned. At the same time that

the United States became persuaded that it must confront the problem of population growth in the third world, Great Society health and welfare programs were evolving and getting funding in the domestic War on Poverty. Pressures from those concerned about the image of the United States abroad and simultaneous pressures from domestic groups that perceived a problem of overpopulation in the United States combined to interject populationist rhetoric into the domestic fertility policy dialogue (Dienes, 1972: 254–265). The crisis language associated with the populationist movement gave a sense of urgency to consideration of domestic fertility issues. Long-time advocates of improved birth control services for the poor—for reasons of increased individual control over family size and child spacing and for reasons of maternal and child health—quickly picked up the populationist rhetoric and articulated demographic and ecological reasons for supporting family planning programs. Issues that had been politically taboo became matters of public debate, and family planning programs ultimately received federal categorical support (U.S. Congress, 1970). But tensions and strains were never adequately resolved between those who sought broad population control objectives and those who urged backing for family planning as an individual freedom and a component of the Great Society. As a result, governmental policy has been hazy, with the issues muddled rather than explicitly identified and dealt with forthrightly. This paper will examine the development of federal government policy with respect to fertility. It will attempt to clarify the issues involved and provide some insight into the complex evolution of federal policy and programs.

Theoretical Overview¹

There is a strong tradition in this country that government should not interfere with individual or family activities that do not have a significant impact beyond the individual or family unit. The distinction between acts that affect only oneself and those that affect others is certainly a difficult one to draw, and defining this type of line precisely may well be impossible (Wolff, 1968), nevertheless, this traditional liberal distinction has had considerable influence on the development of our institutions. Its conceptual importance has been widely recognized (Henkin, 1963), most recently in Supreme Court

¹It will be clear that this section draws heavily from and owes a great deal to the work of Professor Demeny (1971).

decisions such as the abortion cases that have carved out areas of individual and family conduct beyond governmental regulation (*Roe v. Wade*, 1973; *Stanley v. Georgia*, 1969; *Griswold v. Connecticut*, 1965).

The philosophical doctrines of liberalism also have their counterpart in the field of economics. According to traditional public finance theory, governmental activity is justified under certain limited conditions. Economists argue that private decisions normally reflect an individual cost-benefit calculation that maximizes an individual's own welfare. By considering a vast variety of alternatives available to him, a consumer presumably chooses to purchase that which is for him the best bargain. By hypothesis, society does not have an independent interest in the outcome of any single individual consumer choice; in the aggregate, societal welfare is calculated by taking the sum of the welfare achieved by the individual members of society. More concretely, society has no particular concern whether an individual chooses to consume more of one good than of another, assuming that that purchase will not affect the availability of the good.

In the normal situation, therefore, private decision making achieves a rational allocation of society's resources. The benefits that accrue to an individual as a result of the purchase of a commodity are the yardstick by which the benefit to society is measured. Similarly, the cost of production of the good represents the total cost to society. Where private benefit and social benefit are the same on the one hand, and private and social cost are the same on the other hand, then societal welfare is maximized by allowing consumption and production decisions to be made atomistically by private consumers and producers without governmental intervention.

It should be clear, however, that there are at least two situations in which the market model of decision making is unsatisfactory. Where there is a divergence between private cost/benefit and social cost/benefit, the competitive market mechanism does not automatically lead to a social optimum, and some form of governmental action is often called for. Economists label this example of market breakdown the case of externalities, where the action of an individual consumer or producer has an impact on parties who are not directly involved in the consumer-producer relationship (*Mishan*, 1971; *Shoup*, 1969: 96-99). Where externalities are present, economic theory justifies the intervention of government, through regulation or by some other means of incorporating social costs and benefits into the process of reaching decisions.

The atomistic market model will also break down where an individual cannot be excluded from the benefit of a product and therefore has no incentive to state honestly the value of a benefit to him. Economists call this the free-rider problem (Buchanan, 1965: 18) where the exclusion principle fails to operate and where consumption is nonrival (Musgrave, 1971). As in the case of externalities, government intervention is usually required in such cases where a product is a "public good." Typically, the governmental decision to intervene in these illustrations of market failure results in its use of some mode of coercion.

In light of the confusion that attends much of the so-called population debate, and in light of the influence that this economic model of decision making has in shaping public policy, it is useful to look at population issues within the framework of the economic criteria developed to justify governmental involvement.

The No Externalities Assumption

If the impact of fertility decisions remained internal to the individual family (or other autonomous decision-making unit)—that is, if there are no externalities resulting from the fertility decision of parents—then economic theory would indicate that families should be left to decide for themselves what is best. In the absence of externalities, then, society should be neutral or indifferent to the aggregate outcome of the individual decisions about fertility. Under the no externality assumption, society has no particular interest in setting a "population policy" expressed in terms of aggregate fertility results because the concept that society would be "better off" with some different number of births has no meaning. Given the assumption of internalized costs and benefits, any induced alteration in the rate of population change would result in reduced over-all societal welfare since some families who had revealed their own preferences for children would then have to alter that choice against their will.

Of course, this theoretical assumption does not rule out any governmental role with respect to population. One assumption of the model is that those making decisions have sufficient knowledge to inform their private choices. However, many families may not have access to information that would play a vital role in their determination of private costs and benefits. For example, families may be unaware of the availability of contraceptive devices or ignorant of the costs, reliability, or technical or esthetic qualities of different contraceptive

methods. Under the assumption of no externalities, traditional theory would justify governmental provision of additional information, of a technical nature, without advocacy of any particular point of view. The aim of this type of service would not be persuasion but promotion of better-informed individual choice. Whatever ultimate decision a family unit makes is then by definition the socially desirable outcome since it would be made with adequate information and would have no consequences beyond the family unit.

Still assuming the presence of no externalities, one can argue that the government should provide free contraceptive devices to the poor for purposes of income redistribution (U.S. Congress, 1973: 174–176, statement of Grace Olivarez; Costa, 1973). Although there is disagreement about whether lump-sum transfer payments or in-kind transfers are wiser methods of redistributing income, an argument based on redistributive goals is consistent with the assumption of no externalities, and for a myriad of reasons—most of which are related to problems of political perceptions and their impact on political packaging—in-kind transfers have played a significant role in governmental policy for at least forty years (Musgrave, 1959: 11–13; Blumstein and Zubkoff, 1973).

In sum, the no externalities assumption leads to three policy implications: first, parents should be able to make their own fertility decisions without any attempts by society to influence the outcomes of those decisions; second, society should provide the best available information so that the individual freedom preserved can be exercised most effectively; and, finally, society may justify providing the means of fertility control to those to whom society wishes to redistribute income, just as it furnishes other health and welfare services as in-kind transfer payments.

The Externalities Assumption

The assumption of this section is that the constraints under which parents decide to have children do not adequately reflect the costs and benefits from the societal perspective (Easterlin, 1969: 265). Where the effects of decisions made by autonomous decision-making units (e.g., families) bear on the welfare of others, “utility-maximizing behavior within each family can no longer be trusted to add up to a social optimum and a prima facie case exists for governmental intervention to help achieve such an optimum” (Demeny, 1971: 214). With regard to the human fertility context, external effects of private

childbearing decisions could include such things as accelerating the degradation of the physical environment (Harvard Law Review, 1971: 1867) and undermining the over-all quality of life by increased overcrowding (Commission on Population Growth and the American Future, 1972). Because the individual fertility decision affects societal interests in the presence of externalities, society is no longer neutral with respect to the outcome of that decision. Societal welfare cannot be reliably calculated by summing individual welfare if the behavior of each autonomous unit has an adverse impact either on the welfare of other units individually or on the welfare of the other units collectively.

The policy implications that flow from assuming the presence of externalities are significantly different from those that follow from the no externalities assumption. First, with respect to externalities, government can assume the role of institutionally incorporating the social costs and benefits into the hitherto exclusively private decision-making process. The modes of governmental intervention are varied, differing markedly in the degree of coercion and the scope of regulation. Government strategy results from an assessment of the severity of the problem, the social interests at stake and the individual interests at stake (Harvard Law Review, 1971: 1856).

A second rationale for government intervention arises from the interdependence among the child-producing units. If all families want an over-all low level of fertility in society, but personally want more children so long as the other child producers maintain low fertility rates, then some form of governmental action may be required (Demery, 1971: 214–215). Each individual unit, in the absence of assurances from others, would rationally produce more children than the social optimum because the *quid pro quo* of restraint—a reduced or zero growth rate—would not exist.

This phenomenon was early recognized in an allegory. Garrett Hardin described a commons shared by shepherds for grazing. It was destroyed because no collective force could protect the individual shepherd from his own rational, free behavior. In Hardin's scenario, at the point where the land potentially becomes fully utilized, the free system builds in self-destruction. Acting rationally, each herdsman seeks to maximize his utility, which has two components. The positive element is the advantage derived from adding an additional animal; the herdsman acquires the entire benefit from the additional animal, and his utility is increased by nearly the full value of that animal. The negative element is the disadvantage to the herdsman caused by the

overgrazing of the additional animal. However, the effects of the overgrazing are spread among all the herdsmen, so the negative utility for any particular herdsman is relatively trivial. As Hardin observes, the rational herdsman will continue to add to his herd, but, since this is also the rational path for every other herdsman, mutual ruin is the result in the absence of voluntary or imposed collaboration. "Each man is *locked in* to a system that compels him to increase his herd without limit—in a world that is limited. . . . *Freedom in a commons brings ruin to all*" (Hardin, 1969: 371).

The Hardin scenario can be analogized to the case where government establishes stable population as a policy goal. The benefits of such stability would accrue to everyone without exception: thus, if an average of two children per family were assured, but X preferred a four-child family, X would still gain the benefit of the governmental policy, provided it were effectively enforced for everyone else. The four-child X family then would be free riders—receiving the benefit of social policy but not paying their share of the load by curtailing their family size. Some form of mutual coercion may be justified, therefore, because of the interdependence of the welfare of the decision-making units.

Specific policy proposals cannot be derived directly from the above analysis, however. Empirical data and injection of value choices are necessary before policy prescriptions can be detailed. Indeed, much of the current debate about population policy turns on different interpretations of the available data (e.g., are the external effects of fertility decisions significant?) and different assessments of the competing values at stake. At a very abstract level, the analysis would justify governmental intervention to discourage fertility whenever the social costs of a marginal birth exceed the net marginal private benefits (Demeny, 1971: 216). Of course, this type of cost calculation is extremely difficult to make with any degree of precision; moreover, it does not indicate what form governmental action should take other than perhaps setting some target rate of socially desirable population growth. How to achieve enforcement of that objective is a problem the solution of which must consider such questions as the likelihood or necessity of persuasion through government education—i.e., advocacy by government (Demeny, 1971: 216), the acceptable timetable to achieve the desired growth rate, the importance of various lifestyle values determining the "quality of life," the value of maintaining the autonomy of family units in determining fertility decisions, and so forth.

In sum, dropping the no externalities assumption opens up the field of population policy to governmental activity. However, even the presence of external effects does not of itself determine the path for governmental policy. Whether action should involve minimal coercion, as the voluntarist school would argue, or greater coercion, as the regulationists would argue (Harvard Law Review, 1971: 1869-1875) depends upon one's assessment and interpretation of existing data and forecasts and one's hierarchical ordering and weighing of the critical competing values.

Sources of Confusion

As part of its increased activities in the international community, the United States government embarked on a program of supplying economic development assistance to developing nations in the post-World War II period. It was not long before the government realized that rapid population expansion could undermine the effectiveness of the foreign aid program by eroding gains in per capita income. President Johnson (1965) told the United Nations that "five dollars invested in population control is worth one hundred dollars invested in economic growth."

The realization that fertility questions had a major impact on the economic aid policies of the United States helped to broaden the scope of consideration given the policy issues relating to human fertility. Partly in response to criticism of demographic imperialism by some of the lesser-developed countries, partly as a result of the evolving environmental concerns within the United States itself, and partly as a result of the Supreme Court decision in *Griswold v. Connecticut* (1965), holding unconstitutional Connecticut's law barring use of contraceptives, the level of discourse concerning population matters has increased. The major initial forum for this dialogue was a series of hearings conducted by former Senator Ernest Gruening over the course of several years. Through these hearings the policy issues surrounding human fertility were fully aired, even if the identification of goals and objectives was at times quite muddled. Despite imprecision in defining needs and relating tools to objectives, there has been considerable awareness generated of a generalized "problem" of population, and this problem has received rather widespread attention, both in congressional hearings and by the Commission on Population Growth and the American Future (the Rockefeller Commission).

To illustrate the tremendous opportunity for confusion in discussing population issues, it is useful to identify the multiplicity of objectives that might be espoused by family planning advocates. Those whose goals are micro (that is, oriented toward the health and welfare of the individual family) see family planning as a means of promoting individual family freedom by controlling family size and child spacing (Shlakman, 1967). Family planning can also be supported as an element of the women's movement for increased control by women of their own bodies and lives. In addition, micro advocates frequently cite the importance of family planning as a component of comprehensive health services. Similarly, family planning serves an important individual welfare goal: educational and economic advancement of families who reduce their economic responsibilities and can thereby increase available per capita income (Greenblatt, 1972). Through counseling and economic improvement, stronger family units will be built (Costa, 1973).

For those who see family planning as serving macro objectives (that is, who see family planning as a way of reducing over-all population growth in the aggregate), quality of life issues normally rank highest in the hierarchy of justifications: rising numbers of people contribute to overcrowding and to the overuse of scarce resources and lead to pollution of the natural environment; limitation of births will improve the overall quality of life for everyone (Greenblatt, 1972).

Those who look at fertility issues in the context of aggregate demographic concerns do not, however, always agree on basic empirical assumptions (Commission on Population Growth and the American Future, 1972: 4-6). One group would recognize the importance of quality of life values and acknowledge the concomitant need for over-all stabilization of population, but it would focus policy on reducing the large number of unwanted children, especially among the poor who do not have access to contraceptive information and devices. According to this view, atomistic decision making with respect to fertility is such a highly valued interest that only in the most extreme situations should it be compromised, notwithstanding the external effects involved. This interpretation of the evidence concludes that there is a substantial likelihood that individualistic decision making can result in a socially optimum population growth rate, despite the lack of built-in control mechanisms that would operate in the normal market situation (Dyck, 1971). Another group would challenge the validity of the assumptions that families individually "want" the number of children that in the aggregate would represent the optimal collective population

growth pattern (Blake, 1969). For that group, more aggressive governmental action may be called for, in light of the more pessimistic prognosis and concomitant increased danger to social goals.

These widely varying goals for family planning and strategies for governmental involvement help to underline the confusion that can arise in discussing policy, especially since advocates seldom expressly articulate their goals or assumptions, nor do they normally link their cause to a broader theoretical foundation, as outlined in the previous section.

An illustration of the consequences of ambiguity in specifying objectives is the rather acerbic exchange triggered by Judith Blake's article (1969) provocatively entitled "Population Policy for Americans: Is the Government Being Misled?" Blake identified the goal of government policy as the promotion of a stable population, or at least a slower growth rate. She then argued that the sponsors of family-planning programs were misleading the public because such programs cannot contribute significantly to that supposed goal of population stability or reduction in the rate of increase. According to Blake, reduction in the number of unwanted children—the family-planning objective—will not bring about the population control goals she espouses. She accused the family-planning proponents of misleading the government by sponsoring a program aimed at poor women, even though the demographic impact of reproduction activities of the poor is minimal. As Blake sees it, reliance on family planning for the poor does not address the population issues, and the inadequacy of the family-planning strategy in this regard should be exposed. In short, she observed that prescription of family planning as a means of achieving population stability drew an inference regarding fertility that she believed unwarranted; she challenged the assumption that parents acting individually would reach a socially optimal decision with respect to procreation in the aggregate.

Not surprisingly, Blake's piece received a prompt rebuttal (Harkavy et al., 1969). These consultants to the Department of Health, Education, and Welfare had recommended in their report (the Harkavy Report) that the federal government furnish family-planning services to all persons desiring such services but unable to afford them—a target population of some five million poor women as of 1967 (Harkavy et al., 1967). Picking up the gauntlet cast down by Blake, Harkavy et al. challenged the assumption that population stabilization had been a feature of governmental policy. They cited statements of Presi-

dent Johnson and HEW Secretary John Gardner to support their position that Blake's most basic premise was incorrect. For Harkavy et al. (1969) governmental policy all along had been the promotion of maternal and child health through improved contraceptive services and increased freedom of choice as to the number and spacing of children. They argued that the federal program had been advanced, not for population control but to improve health and reduce the impact of poverty and deprivation. The government had never established any population policy as such, and Blake's criticism was therefore unwarranted, they contended.

This heated exchange pinpoints a major difference in outlook about what governmental policy goals should be in the area of human fertility. The Blake position was that a population policy is necessary and that family-planning programs for the poor will not bring about population stabilization or significant reduction in fertility rates (Davis, 1967). However, it does appear that Harkavy et al. have history on their side in that the United States government did not, and still does not, have a policy regarding population growth.

Nevertheless, Blake's article points up what must be considered a major criticism of family-planning advocates. In response to growing pressures to establish governmental programs explicitly dealing with population issues, family-planning advocates have tended to enlist political backing for their family-oriented programs as measures that will slow population growth. For example, the former chief health officer of HEW, Roger Egeberg (U.S. Congress, 1969-1970: 156), testified that he was "strongly in favor of giving family planning the impetus that it needs and must have if we are going to prevent a total U.S. population of 300 million people by 1999." Similarly, former HEW Secretary Robert Finch (U.S. Congress, 1969-1970: 133), in supporting an administration family-planning bill, stated that the administration proposal would be a "natural and logical development in the organizational structure which has been evolving in our Department to deal with the population problem." Even President Nixon's 1969 message, in part promoted by the HEW family-planning bureaucracy (U.S. Congress, 1969-1970: 153; Shultz, 1970: 790), discussed the problem of unwanted children as a factor adding to "the burdens placed on all our resources by increasing population" (U.S. Congress, 1969). The factors contributing to the confusion arising from imprecise and sometimes apparently disingenuous terminology is a point now to be addressed.