

# ***Economics BC3020:*** **Population and the Economy**

Barnard College, Spring 2002

***Place and time:*** Barnard 302, Monday & Wednesday: 6:10pm - 7:25pm

***Instructor:*** Professor Diane Macunovich, Lehman 5a  
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*Office Hours:* Monday & Wednesday 11-12 (and by appointment)

*Telephone:* 854-9150

***Class Webpage:*** <http://www.columbia.edu/~dm555/classes/econ3020/econ3020.html>

This is a course designed to provide an introduction to the many “feedback effects” that exist between population growth and economic growth. This will take us all the way from the works of Thomas Malthus; through the “demographic transition” and its relationship with the Industrial Revolution; J.M.Keynes and the 1930s Depression; and post WWII experience with the Baby Boom, Bust and Echo – to today’s “Asian flu”. These “real world” applications will be used to reinforce the concepts you’ve learned in the core Economics classes – supply/demand, marginal analysis, utility maximization, externalities and market failure, income and substitution effects, the paradox of thrift, diminishing marginal returns, inflation and unemployment, national accounting – to extend them, and to supplement them with methods of analyzing population growth such as fertility and mortality rates, the sex ratio, age pyramids, dependency ratios, life expectancies, and age, period and cohort effects.

Readings will be drawn from a wide variety of sources and, for the most part, will be provided to you in articles posted on the Web. We will also be using chapters from my forthcoming book *Birth Quake: The Baby Boom and Its Aftershocks* in the second half of the course. The following book is **required, and available in the Columbia Bookstore:**

*Growth Triumphant: The Twenty-first Century in Historical Perspective*, by Richard Easterlin (1996).  
University of Michigan Press.

also recommended and available in Columbia Bookstore, is

*A Concise History of World Population*, second edition, by Massimo Livi-Bacci, Blackwell Publishers, 1997.  
(ISBN 0-631-20455-5 paperback)

There are also many books on reserve (in Barnard Library) for the course, on various related topics.

## ***Course Requirements***

You are required to have completed both Intermediate Micro and Intermediate Macro. The course will be conducted in a lecture format, but active class participation will be expected. You must complete assigned readings before each class, and attendance in class is mandatory: you will be held responsible for material presented and discussed in class!

There will be one midterm and a final exam. Please note in the course schedule the dates for these exams: they are fixed and will not be changed. Make sure you set aside time for them and for preparing for them -- now!!

In addition, there will be three papers assigned through the semester: an essay, a critique and a write-up of a research project. Your course grade will be based on the following:

Class participation:	15%
Essay and critique:	15%
Research project:	20%
Midterm:	25%
Final:	25%

## Course Schedule

(access readings -- other than *Growth Triumphant* and *Birth Quake* -- from the online syllabus at <http://www.columbia.edu/~dm555/classes/econ3020/syl3020.html>)

*Wednesday, January 23: The Scope of Population Economics: is there a “population problem”?*

*Monday, January 28: Some Demographic Background*

M. Livi-Bacci *A Concise History of World Population*, excerpt #1, especially pages 1-7, 10-21, 29-37 and 66-73.

*Wednesday, January 30: Classical Writings and a Modern Malthusian*

*this looks like a lot, but they're all very short articles!*

V.Abernethy “Optimism and Overpopulation”, *Atlantic Monthly* 274(6, 1994):84-91.

The remaining readings have all taken from J.L.Simon (ed) *The Economics of Population: Classic Writings*, New Brunswick NJ: Transaction Publishers, 1998:

T.R.Malthus (1793), “From ‘An Essay on the Principle of Population as it Affects the Future Improvements of Society’ (First Edition)”, Chapter 5.

T.R.Malthus (1817), “From ‘An Essay on the Principle of Population, or A View of Its Past and Present Effects on Human Happiness’ (Second and Fifth Editions)”, Chapter 6.

Friedrich Engels (1844), “From ‘On Malthus’”, Chapter 14.

J.M.Keynes (1920), “Population and Unemployment”, Chapter 17.

J.M.Keynes (1937), “Some Economic Consequences of a Declining Population”, Chapter 20.

*Monday, February 4: History of Thought on Population Economics* – first paper due

1) in ancient times: Joseph J. Spengler (1978). “History of Population Theories”, Chapter 1 in J.L.Simon *The Economics of Population: Classic Writings*, New Brunswick NJ: Transaction Publishers.

2) in the classical period: Julian L.Simon (1998). “Introduction”, pp. ix-xxiii in J.L.Simon *The Economics of Population: Classic Writings*, New Brunswick NJ: Transaction Publishers.

3) in modern times: Julian L.Simon (1997). “Introduction”, pp. 13-22 in J.L.Simon, *The Economics of Population: Key Modern Writings, Volume 1*, Lyme NH: Edward Elgar Publishing.

*Wednesday, February 6: Modern Economic Growth*

*Growth Triumphant*, Chapters 2 “Revolution or Evolution?” and 5 “Why Isn’t the Whole World Developed?” (pages 15-29 & 55-65).

Julian Simon, “The Big Picture II: LDCs”, pp. 491-507 in *The Ultimate Resource II*, Princeton University Press, 1996.

optional: *Growth Triumphant*, Chapters 3&4 “International Impact” and “National Economy”(pages 31-53).

*Monday, February 11 and Wednesday, February 13: The Demographic Transition*

*Growth Triumphant*, Chapters 6 “Mortality” and 8 “Fertility” (pages 69-82 and 95-112).

David Bloom and Jeffrey Williamson (1998). “Demographic Transitions and Economic Miracles in Emerging Asia”, *The World Bank Economic Review* 12(3):419-455. (skim pages 419-429 and read pages 440-450 only).

optional: M. Gladwell, “The Mosquito Killer”, *The New Yorker*, July 2, 2001:42-51.

*Monday, February 18: The Impact of Population Growth*

M. Livi-Bacci *A Concise History of World Population*, excerpt #2, especially pages 80, 91-95, 145-150 and 200-214.

Ansley Coale and Edgar Hoover (1958). “Population Growth and Economic Development in Low Income Areas: Summary”, pages 332-335 in Chapter 23 of *Population Growth and Economic Development in Low-Income Countries: a Case Study of India’s Prospects*, Princeton NJ: Princeton University Press.

*Birth Quake*, Chapter 13.

optional: *Growth Triumphant*, Chapter 7 “Malthus Revisited” (pages 83-93).

optional: “Dependency Rates and Savings Rates”, Nathaniel H. Leff, *American Economic Review*, Vol. 59,

No. 5. (Dec., 1969), pp. 886-896.

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**Wednesday, February 20: Population Growth and Technological Change**

Simon Kuznets (1960), "Population Change and Aggregate Output", Chapter 14 in J.L.Simon, *The Economics of Population: Key Modern Writings, Volume 1*, Lyme NH: Edward Elgar Publishing.

Ester Boserup (1965). excerpts from "The Conditions of Agricultural Growth: the Economics of Agrarian Change Under Population Pressure", Chapter 20 (pages 390-399) in J.L.Simon, *The Economics of Population: Key Modern Writings, Volume 1*, Lyme NH: Edward Elgar Publishing.

Gary Becker, Edward Glaeser and Kevin Murphy (1999). "Population and Economic Growth", *American Economic Review* 89(2):145-149.

**Monday, February 25: Formal Models of Economic Growth**

Bo Malmberg (1994). "Age Structure Effects on Economic Growth – Swedish Evidence", *Scandinavian Economic History Review*, 42:279-295.

Paul Samuelson (1975). "The Optimum Growth Rate for Population", *International Economic Review* 16(3):190-197.

Julian Simon (1986). *Theory of Population and Economic Growth*, Chapters 1, 2 and 4, Basil Blackwell.

Tributes to Julian Simon: Richard Easterlin, Milton Friedman and Friedrich Hayek.

**Wednesday, February 27: Limits to Growth?**

Nathan Keyfitz (1991). "Population and Development Within the Ecosphere: one view of the literature", *Population Index*, 57:5-22.

James A. Robinson and T.N. Srinivasan (1997). "Long-term Consequences of Population Growth: Technological Change, Natural Resources, and the Environment", pp. 1175-1298 in M.R. Rosenzweig and O. Stark (eds.) *Handbook of Population and Family Economics, Volume 1B*, Elsevier.

Elizabeth Kolbert (2002) "Ice Memory", *The New Yorker*, (January 7, 2002):30-37.

"Precautionary Principle", *New York Times Magazine*, Sunday 12/9/2001

Julian Simon (1996). in *The Ultimate Resource 2*, Princeton NJ: Princeton University Press: at least one of the following Chapters –

1: "The Amazing Theory of Raw Material Scarcity"

4: "The Grand Theory" (entropy)

6: "What are the Limits on Food Production?"

17: "Pollution Today: Specific Trends and Issues"

20: "Should We Conserve Resources for Others' Sake?" (recycling)

31: "Are Humans Causing Species Holocaust?" (biodiversity)

optional: W.W. Rostow, "The Limits to Growth", Chapter 6 (pages 119-137) in *The Great Population Spike and After*, New York: Oxford University Press.

**Monday, March 4: Is Population Decline a Problem?**

Alvin Hansen (1939). "Economic Progress and Declining Population Growth", Presidential Address, *American Economic Review*, 29(1):1-15.

Ben Wattenberg (1987). *The Birth Dearth*, Chapter 5 "What Happens", Ballantine Books. *Growth Triumphant*, Chapter 9 "Secular Stagnation Resurrected" (pages 113-127).

Nicholas Eberstadt, (1997). "World Population Implosion?" *The Public Interest*, Fall:3-22.

David M. Cutler, James Poterba, Louise Sheiner and Lawrence Summers (1990) "An Aging Society: Opportunity or Challenge?" *Brookings Papers on Economic Activity*, 1(1990):1-56. (pages 1-19, 38-42 and 53-56 only)

**Wednesday, March 6: Can Immigration Help?**

Commentary on *Replacement Migration: Is It a Solution to Declining and Aging Populations?* in *Population and Environment* 22(4):355-409, by

John Bermingham, pages 355-363

Virginia Abernethy, pages 364-375

Leon Bouvier, pages 377-381 (optional)  
Thomas Espenshade, pages 383-389  
Lindsey Grant, pages 391-399  
Frederick Meyerson, optional, except page 406 “Environmental Considerations”

*Monday, March 11: catch-up & review*

*Wednesday, March 13: **midterm exam***

*March 18 & 20: **Spring Break***

*Monday, March 25: **Macro Effects of Individual Behavioral Choices***

optional: Gary S. Becker (1974), “On the Relevance of the New Economics of the Family”, *American Economic Review*, 64(2):317-319.  
Gary S. Becker (1988), “Family Economics and Macro Behavior”, *American Economic Review*, 78(1, 1988):1-13.  
optional: Gary S. Becker (1993), extract from “Nobel Lecture: The Economic Way of Looking at Behavior”, *Journal of Political Economy*, 101(3):385-386.

*Wednesday, March 27: **The Significance of Relative Cohort Size***

*Birth Quake*, Chapters 1-4

*Monday, April 1: **Differing Effects Across Countries***

Fred Pampel (2001). *The Institutional Context of Population Change*, University of Chicago Press

*Wednesday, April 3: **Effects of RCS on Young Men’s Wages***

*Birth Quake*, Chapters 5 & 6

*week of Monday, April 8: **Women’s Labor Force Participation and Its Effects***

*Birth Quake*, Chapters 7 & 10

Claudia Goldin and Larry Katz (2001). “The Role of the Contraceptive Pill. . .”

*week of Monday, April 15: **Marriage and Divorce***

*Birth Quake*, Chapter 9.

Marcia Guttentag and Paula Secord (1983). *Too Many Women? The Sex Ratio Question*, Sage Publications.  
Introduction, pages 13-33.

*week of Monday, April 22: **Fertility***

*Birth Quake*, Chapter 11

Gina Maranto (1995). “Delayed Childbearing”, *Atlantic Monthly*, June 1995:55-66.

D.J. Macunovich (forthcoming 2002) “Economic Theories of Fertility”, Chapter 6 in K. Moe (ed.) *In the Name of Love: The Economics of Gender and the Family*, Blackwell Publishing.

optional: Judith Blake (1981). “Presidential Address: Family Size and the Quality of Children”, *Demography*, Vol. 18, No. 4. (Nov., 1981), pp. 421-442.

optional: Judith Blake (1968). “Are Babies Consumer Durables?: A Critique of the Economic Theory of Reproductive Motivation”, *Population Studies*, Vol. 22, No. 1. (Mar., 1968), pp. 5-25.

*week of Monday, April 29: **Demographic Transition Revisited***

*Birth Quake*, Chapter 12

*Monday, May 6: **Wrap-up: Where are We Headed?***

*Birth Quake*, Chapters 14 & 15

*Growth Triumphant*, Chapters 10 “Human Happiness” and 11 “The Next Century” (pages 131-154).

Robert Schoen and Young J. Kim (1994). “Cyclically Stable Populations”, *Mathematical Population Studies*

4(4):283-295. (pages 283-284 & 291-294 only)

*Monday, May 13:* **Final Exam (7:10-10:10pm)**