

POPULATION CAUSES PROSPERITY

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VIEWPOINT 2

Population causes prosperity

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Population causes prosperity. Urban areas – densely populated cities and towns—possess more cars, cellphones and millionaires than vacant rural countryside. Further, urbanisation is a growing phenomenon—proving that more and more people are finding it "economic" to live in places where the density of population is high. Why? Because these places generate wealth—Hong Kong, Singapore, Tokyo, New York, London—the list is endless.

Urbanisation is also the cure for high population growth rates. People who urbanise their existence find it "economic" to opt for

small families. A small family is an internationally accepted urban "value". Urbanisation and globalisation—the spread of this value – will do more to bring down the growth of our numbers than any of the expensive strategies pursued by governments today.

This calls for a radical rethink of accepted beliefs regarding the so-called "population problem". Today, school children are taught, through government-approved Economics textbooks, that population is a cause of poverty. The state – and its personnel—wax eloquent on the insurmountable dimensions of this perceived problem. The strategies

pursued by the state to tackle this "problem" involve huge expenditures that cost the taxpayer dear without much reciprocal benefit.

These strategies—at their ludicrous extreme—even went to the extent of using force: Sanjay Gandhi's program of mass sterilisation is fresh in memory. The use of force is, of course, anathema to those who believe in freedom. There is greater reason to challenge it when this force is used on the basis of completely false conceptions of both the "problem" as well as the "cure". The use of force by the state is sometimes justified on the grounds that the issue at stake is the promotion of the "public good". In this instance, the state can hardly claim to be justified to have used force towards such ends.

Homo Economicus

There is a simple reason why population, i.e., people (and only people), cause prosperity. Only people are "economic". You can watch the *National Geographic* channel endlessly, and you will never come across any other species that has the ability to trade, and the consequent ability to generate wealth. As Adam Smith noted, only humans have the "natural propensity to truck, barter and exchange". Smith added that he never saw a dog that could exchange a bone with another. You do not see weaverbirds making nests for early birds in exchange

for the worms that the latter are so famously adept at collecting. Man's special ability is that of trading, not manufacturing, which even the weaverbird can do quite well. But birds don't have an "economy" simply because they cannot trade.

The ability to trade—to exchange – an ability that only human beings possess, leads to a phenomenon called "specialisation". Because human beings are economic, they do not have to be self-sufficient and work towards fulfilling all their needs. In the market economy you can just be a good dentist and obtain the produce of farmers and industrialists and the services of the barber, the cook and the receptionist. Economics is the study of the creation of wealth through the division of labour. Dots on the map are where the greatest amount of specialisation – the division of labour – is possible. For this simple reason, based on basic Economics, population density – or urbanisation – is a cause of prosperity. Only people can trade and consequently specialise. This is the way wealth is produced. This specialisation is maximised in urban areas, which are all densely populated. Cities and towns are the ant hills of human colonists. Their purpose is wealth creation.

But socialist development economics does not view people in this light. Unlike Peter Bauer—who carefully studied the beneficial effects of trade and traders in developing countries—socialist

economists like the Nobel Prize-winner Gunnar Myrdal theorised that the ordinary people of Third World countries were incapable of taking rational economic decisions and so needed authoritative resource allocation by an "intellectual-moral elite": the planners.

Bauer calls this "the denial of the economic principle". This denial is, of course, stupid and wrong: poor people bargain more carefully in a market. They have pressing reasons to be more "rational" than better off people who can afford to squander a little money sometimes. It is this denial that forces socialist development economics to look at human beings as a problem rather than a resource.

Further, socialism denied trade and attempted to prop up manufacturing. Socialist development economics wanted to "industrialise" India by restricting trade. Indians are skilled traders. It has been said that a *bania* can buy from a Jew and sell to a Scot and still emerge with a profit! We have entire communities of skilled traders who could be generating wealth for India. Instead we have propped up a few inefficient manufacturers, protected by tariff walls and an inconvertible currency. Indians still do not want free trade. The *swadeshiwallahs* want to continue to prop up domestic manufacturing (neglecting trade) in the same manner as the socialists.

There are two aspects to the

population question. Of course, it is a cause of prosperity, provided there is free trade. There is then the second question: Is the planet Earth too small for the human race? In other words, was too Allah bountiful, or is there too little on planet Earth to sustain all of us?

This latter question is taken up later. First, we look deeper into India's urbanisation. Urbanisation proves that population causes prosperity; but India's recent urbanisation has been heavily state-directed. Unlike the period of colonial urban development that saw the building of great cities and innumerable hill stations, modern India has been an urban disaster zone. Since problems of overcrowding are most acute in urban areas, we need to inquire whether there is something wrong with the way our urban areas are developing; or is there indeed a "population problem".

Urbanisation

David Clark is the Head, Department of Geography, University of Coventry. He has carefully studied the phenomenon of urbanisation, especially over recent decades.¹ He says that not till 1899, when Adna Ferrin Weber published *The Growth of Cities in the Nineteenth Century*, did urban study become "a central focus of inquiry in the newly emerging discipline of geography". Urbanisation was a limited phe-

nomenon then but "in the last 30 years it has become valid to talk about an urban world: a world in which urban places and urban living are the norm rather than the exception". The year 1996 has "marked a major watershed in the evolution of human settlement", for today it can be said that more than half the world's population lives in towns and cities: over 2.6 billion people worldwide are urbanites. "No longer are towns and cities exceptional settlement forms in predominantly rural societies—the world has become an urban place."

If we look at the Indian scenario, a likely picture emerges. The richest states of India – Maharashtra, Gujarat, Tamil Nadu, Karnataka, Punjab, West Bengal, Andhra Pradesh and Kerala—report levels of urbanisation that are higher than the all-India average of 30%. Maharashtra and Gujarat report urban growth rates in excess of 3%—significantly higher than their growth rates of total population. Extrapolating from the latest figures available² it would be safe to assert that these two states are approaching the world average of 50% urbanisation. The poorest areas of India—like Bihar and Assam—report levels of urbanisation that barely touch double digits.

Statistical evidence from our own country supports the thesis that population causes prosperity because urban areas are rich. It also supports the belief that urbanisa-



tion brings down population growth rates. Kerala, the state with the lowest population growth rate, reports the highest urban growth rate in India, almost 5% annually. The high level of literacy in Kerala is in no small measure due to the role played by its huge migrant community in transmitting urban values.

Where will all this lead? David Clark believes that the world's population will stabilise at 85% urban—living on just 7% of the Earth's land. The forces of globalisation will power this process. As his study reveals, unlike an earlier period in the evolution of the global economy, today's globalisation is sending industrialisation to the periphery. In an earlier age, when the industrial revolution had just begun and the world economy was controlled by imperialist forces, manufacturing would tend to restrict itself to the core of the empire.

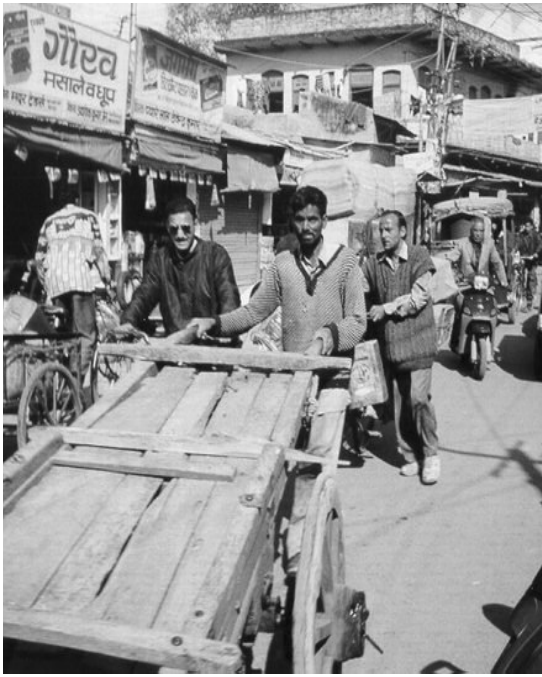
Today things are the other way around. Globalisation has also come to mean that the world is not only the market; it is also the factory. Examples abound. There is an American toy company that has a small office in New York which designs and markets its products – all manufactured on contract by small firms in Korea, Taiwan and China. A leading manufacturer of athletic footwear operates much the same way. There are western publishing firms which do their specialised jobs like editing and proof-reading at home, leaving "labour-intensive" work like typesetting and printing to contracted parties in the Far East. During the last 30 years—and especially so during the last 10—these forces have led to greater industrialisation as well as increased urbanisation in the periphery of the global economic system. These processes are now accelerating.

Herein lie the opportunities and the challenges—especially for the "Third World". The cities of the Third World are particularly notable as environmental disaster zones. India is no exception. Bombay, Delhi, Calcutta, Madras, Bangalore, Hyderabad, Poona these great cities that have boasted of a high quality of life have now become gaping sores on the Earth's environment. The quality of air in all these cities has become unacceptable. Standards of civichygiene are abysmal. Matters of great environmental concern-like sewage

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treatment and garbage disposal—do not attract sufficient public investment. Environmentally friendly systems of rapid mass transportation do not exist. None of these great cities have effective municipal organisation. They are usually seats of state governments – and these higher levels of government hold all the powers. Delhi is unique: power over its affairs is shared by the central government, the state government, a Lieutenant-Governor and a host of unaccountable state bodies like the Delhi Development Authority.

Apart from these big cities, Indians live in hundreds of big towns and thousands of small towns. The conditions in these are much worse. Untreated sewage from these towns pollutes every major riverine system. None of these towns have an administratively competent, financially solvent, and publicly accountable system of municipal organisation. Unlike the prefects of provincial France, the Indian Administrative



Service has never fostered institutions of urban democracy. A typical district is headquartered in a big town, and has a host of smaller towns within its jurisdiction. All these urban areas are on the brink of disintegration.

The gross mismanagement of urban areas, which generate wealth, has been the greatest failure of a state that has viewed population to be as huge a "problem" as urbanisation. This has always been referred to as the "rural-urban migration problem", and its implications have not been understood. It is fairly obvious that human beings are guided to do things that earn them more money – they are economically "rational". They prefer gains to losses. Thus, if many are choosing to shift from thinly populated countryside to crowded towns, then surely there must be some economic rationale that explains this behaviour. It is glaringly evident in this case that urban

areas generate prosperity and that people come flocking to them hoping for a share of that prosperity. If you want to tackle poverty sincerely, you must look upon urbanisation as a process that will help you along the way. This, unfortunately, the Indian state has never considered. At the 1998 Economic Editors' Conference, the then head of our Planning Commission, Jaswant Singh, said that his greatest desire was to see to it that no villager moved to a city!

To fully understand the dimensions of rural-urban migration, let us once again turn to David Clark.

Primacy

Clark cites various studies that have looked into the manner in which secondary and tertiary towns develop around primary cities. The growth of these smaller urban centres is extremely important to the understanding of the urbanisation process. In India, what is clearly visible is that these secondary and tertiary towns are not developing—we are all crowding into cities. This is the phenomenon of "primacy"—one city becoming overly important in the urban scheme. Reporting on primacy, Clark says, "The evidence suggests that primacy exists in countries in which the principal city is more strongly linked to and integrated within the global urban system than it is to the domestic urban hierarchy."³

We inhabit a country whose

urbanisation has been severely lopsided, thereby creating primacy. So the "principal city is more strongly linked to and integrated within the global urban system than it is to the domestic urban hierarchy". This can be illustrated by an account of a recent tour of mine to Dehradun, a town of tourism interest with many elite residential public schools, a military academy, a forestry institute, and the preferred place of retirement of innumerable military and civil officers. Dehradun, at the foothills, is the gateway to the Garhwal mountains. Thirty km uphill and you are in Mussoorie, once called "the queen of hill stations".

Dehradun is just 250 km from Delhi. The highway is the same one that takes you to Haridwar, Rishikesh and ultimately Uttar-kashi – it is heavily used by the devout. But the highway no longer exists. Some years ago I might have called it a "bad road". But today, one can only



say "no road"! So it takes over nine hours to reach Dehradun from Delhi. You can fly to London in less time. The principal city is better linked to London than it is to the "domestic urban hierarchy".

All along the drive, this urban hierarchy confronts you. Ghaziabad, Meerut, Modinagar, Khatauli, Muzaffarnagar, Roorkee – these are all towns: urban areas. All these lack sound links to their primary city. If these links were there, the urban picture would be different. Delhi would decongest; the surroundings would "develop".

It is because of primacy that our big cities are growing beyond sustainable levels while the innumerable small towns that surround them are not developing: the transportation links between surrounding towns and the primary city are grossly inadequate. Clark speaks of various studies, which show that with sound transportation links, primacy ceases and what may be called "normal" or "market-driven" urban development ensues. Market-driven urban development is what India must pursue. For this, massive investments in transportation are essential.

Market-driven urbanisation will not only control population, it will also deal with the greatest practical problem faced by citizens of a country that boasts huge numbers: overcrowding. It will also take care of the other great problem faced by all Indians – astronomically high real estate prices, which

have rendered housing out of the reach of even the middle classes. Price is a function of demand and supply. Transportation adds to the supply of land. Connect Village X to Town Y with a tramway and immediately that much more land is made available to the urban economy. This makes possible a settlement pattern in which the city centre, where prices are highest because of commercial value, focuses on business, and vast areas are opened up for residence.

It is worth remembering that Japan, West Germany, Holland and Belgium have higher population densities than India and do not face the overcrowding and unaffordable housing prices that we in India have to put up with. Life in the unsustainable cities of India is close to living in hell. The poverty, the slums, the pollution, the diseases—these are not caused by "population". Their cause is primacy: the principal city not being properly integrated with the domestic urban hierarchy.

Primacy and Delhi's state-sponsored markets

The state, unfortunately, is yet to consider things this way. The capital, Delhi, serves as the best example. For about a decade now, there has been a lot of hot air on the formation of a National Capital Region comprising many towns in adjoining states. But there has been no investment in

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transportation. The recently announced Mass Rapid Transport System (MRTS) is laughable. It completely bypasses West, Central and South Delhi, connects North Delhi to East Delhi and extends itself to a hitherto unknown village at the extreme north of the state called Holimbi Kalan⁴. The only completely underground section connects Delhi University to Central Secretariat. Busy commercial areas, where the "masses" actually "transit", like Nehru Place, Karol Bagh, INA Market, South Extension Market and countless more—lie unconnected. Wealthy areas, like South Delhi, whose citizens pay the most in taxes and who own the most personal vehicles (whose use the MRTS should seek to replace so as to combat air pollution) will remain totally outside the MRTS system. Here too exists the wealth to pay the fares. Instead, the authorities have deliberately chosen to offer the only completely underground section to students of our heavily subsidised higher education

system, who will undoubtedly claim—and obtain—"passes" to use the underground at highly uneconomical rates. A hitherto unknown place called Holimbi Kalan will see land speculators move in and, ultimately, "development". It might even become a remote "township". However, there is nothing for the innumerable real towns that surround Delhi – nothing for the much talked about National Capital Region. Primacy reinforced.

It is this that makes the population "problem" a strongly impressionistic one. You travel out of overcrowded cities on narrow "highways" through crowded towns and the "population problem" hits you in the face. You also think that this misery and squalour has a lot to do with "poverty". To the trained eye it is simply the undersupply of public goods⁵—especially roads. What we see is commerce on the street: too much commerce, too little street. This is not "poverty". Nor is this the "population problem". These are busy urban economies crippled by primacy. From all these urban economies a huge amount of indirect taxes are collected. These are not invested in what these economies sorely need—and what they pay for. A strong case can be made out here for what Professor Deepak Lal calls "the predatory state".⁶

Colonial urban development: A study in contrast

Some idea as to what is likely to transpire if market-driven urban development happens can be obtained from an examination of a period in time when India did have an urban explosion: the colonial era. What is especially remarkable is the development of over 80 "hill stations" around the four major metropolitan centres – Delhi, Calcutta, Bombay and Madras. These comprise the Simla-Mussoorie belt near Delhi; the Darjeeling-Shillong belt around Calcutta; the Poona-Mahabaleshwar belt near Bombay; and Ooty and the Nilgiris near Madras. The role of transportation is clear (Darjeeling had its rail link before Japan had heard of railways), as is the role of free market real estate development and the importance of sound municipal organisation. The role of technology in setting up these new towns cannot be understated:



*Whether in relation to the sciences of geology, surveying or cartography or the technologies of road, bridge or railway construction, knowledge and techniques originating in the urban-industrial processes of the 18th and 19th centuries were first introduced, and then developed in the colonial environment of India.*⁷

Since this process of urbanisation halted, these hill-stations are also on the verge of collapse. In the hills the lesson is even clearer—that roads get land into service. The undersupply of roads has created some sort of local primacy in which the principal hill-town—usually also a state capital—becomes unduly important in the local urban hierarchy.

These hill stations developed because of strong links to a metropolitan power. The same metropolitan powers—and many more new ones—can finance an urban boom that will wipe out poverty, solve most of the "real life" problems of Indians, and even save some of the



most beautiful places on Earth.

To most people educated in the language of "poverty", the thesis that urbanisation is a cure may seem a little farfetched: what about the "villages" in which the "real India" lives? The NGO movement, which has focused its attention on "rural development", may raise an eyebrow. However, to the international NGO movement, the fact that urban areas present both challenge and chance has not been missed. A large number of major NGOs, including Oxfam, Homeless International, Intermediate Technology and Water Aid have come together to bring out a brief volume entitled *The Urban Opportunity: The Work of NGOs in the Cities of the South*.⁸ The word "opportunity" in the title signifies that an urban vision is dawning on the international NGO movement.

Towards 'A Conflict of Visions'

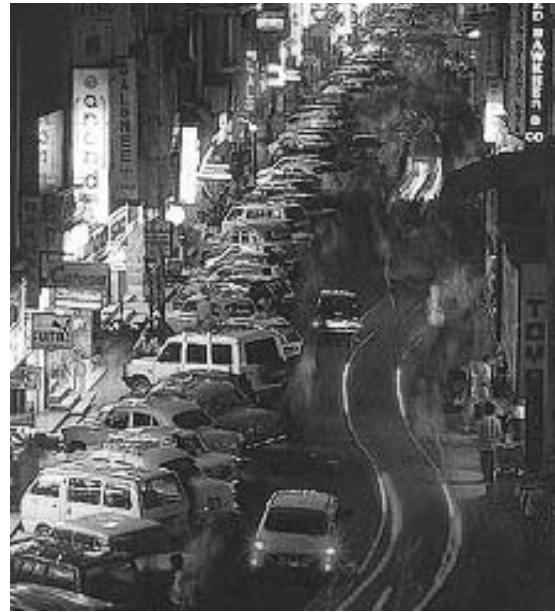
And indeed it is the "vision" that needs to be created. As Thomas Sowell wrote in *A Conflict of Visions: Ideological Origins of Political Struggles*⁹ people have different "visions" of the way in which the world works. Political struggles occur when these "visions" come into conflict. A vision is defined as a "pre-analytic cognitive act". Sowell says, "Visions are foundations upon which theories are built". This masterpiece looks at many "conflicts of visions"

including the one in development economics between Lord Peter Bauer and Gunnar Myrdal. This is the market-state conflict of visions, which has brought about "liberalisation" in India without really offering an alternative "vision" to the statist one of a rural utopia.

India is highly urbanised and its urban problems are immense. Herein lie the opportunities – as even the international NGO movement has realised. The statist "vision" of the population problem is clearly a "pre-analytic cognitive act". A little analysis reveals its falsity.

The proof that population causes prosperity can be condensed into four words: Urban Areas Are Rich. What this achieves is miraculous in terms of the political struggle that must be waged if India is to be freed of statism. This proof turns the statist vision on its head. Instead of rural, we suddenly talk urban. And instead of poverty, we speak the language of prosperity.

And indeed this is the historically proven vision any "civilisation" must have of its future. The word itself has its root in the Latin *civitas*, meaning "city". Ancient India was rich and urban. Harappa and Mohenjodaro were the best-planned cities of the ancient world. From the port of Lothal we understand that urban prosperity is greatly dependent on transport connections to other urban centres, so that commerce can transpire. The Mediterranean was the cradle



of civilisation simply because it allowed many urban areas to develop and link up. Globalisation, in the modern world, will allow all the urban centres of the world to link up and play a role as hubs and spokes of the global economic system. India, with its policy-induced primacy, is denying development to innumerable urban areas. It is this false vision that keeps the country poor.

This false vision rests on two "visions": one of population, and the other of poverty. Both can be demolished in short sentences. Lord Bauer disproved the Theory of the Vicious Circle of Poverty with a mere "If the hypothesis were true, the world would still be in the Stone Age". The statist vision of the "population problem" can be dismissed just as briefly: "Population causes prosperity: Urban Areas Are Rich".

The vision inversion that will naturally transpire when these dis-

proofs of widely held (and publicly taught) theories become common knowledge will lead to the "conflict of visions" that Sowell spoke of. When Indians realise that economics is about prosperity, that urbanisation is the way towards prosperity; that our population and our poverty are no hindrance, they will suddenly see an India with a hundred Singapores, highways that Germans would love to drive on, excellent systems of urban public transportation, thriving central business districts and well-laid out and spacious suburbs. A "developed" country no longer in need of the fallacies of "development economics".

Maybe the question will arise as to how this "infrastructure" will be financed. It is then that arguments for privatisation will find a sympathetic public ear. Investments in the public sector have been made not only by printing currency, but also by diverting resources from public goods like roads. The public treasure, if it is to be saved and gainfully used, must be taken back and reinvested in public goods. This is the argument for privatisation that the people of India will wholeheartedly accept: disinvest to re-invest. Today, disinvestment is occurring piecemeal,

but without any idea of re-investment. Once again, this is due to the absence of any vision: if one vision made the public sector, another must paint the new landscape.

The population causes prosperity argument, therefore, holds the key to the waging of a meaningful political struggle with the statist vision. In a country of economic illiterates, where a catch-all ideology of the "mixed economy" is entrenched in deeply rooted economic nationalism, there is no better method by which the falsities of the statist vision can be exposed.

We now turn our attention to the second question: Are resources a problem? That is, is planet Earth too small for the human race?

Are there too many of us? Has Allah been bountiful?

The economics of abundance

Socialism insists that Economics is all about scarcity. Resources are scarce and planners have to allocate them. This is a false worldview they seek to impart to the victims of their educational system. The market economy is an eco-system. Each city is an eco-system just as the Amazon rainforest is an eco-system. It is an eco-system in which human beings specialise and create

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wealth. In this market economy eco-system, niches are created in which we survive. Whatever enters the market economy eco-system also survives. Resources, which enter the market economy, are always in abundance. Let us understand this further by way of some examples.

Seventy per cent of the Earth is made up of water. Yet water is scarce in India. This prompts many to foolishly argue that a basic role of the state is to provide clean drinking water to all. Contrast this with petroleum products. The Earth possesses very little petroleum compared to water. Yet petrol and diesel are always available in plenty. The reason for this is the market. There is a market for petroleum products: some are selling, others are buying. There is no market for water. The state is giving it free to farmers and slum dwellers. There are no property rights to riparian or ground water. Yet, you can own an underground oil field.

Second, if you come to species extinction, this never happens to species that find a niche in the market economy. That is why chickens, goats and pigs survive while tigers do not. Some previously endangered species like crocodiles, emus and ostriches are now plentiful because they are bred on farms. The tiger and the rhino would survive easily if they were bred for commercial purposes and free trade in these products allowed. Those in the wild would also survive because commercial supply

would make poaching unprofitable.

Third, human beings are resourceful. The human mind, as Julian Simon said, is the ultimate resource. It brings more and more resources into play from the Earth's bounty. Energy is a good example. When Britain began industrialising, charcoal was used to make steel. This depleted Britain's forests. The human mind responded to this challenge by mining for coal. This was hugely profitable, as charcoal had become scarce. Over time, the woods of Britain reappeared, as coal became the chief source of energy. Yet this coal did not dry out. Soon, man discovered oil. And Britain found it cheaper to import coal and oil than to dig so deep for it. Today, you can take coal to Newcastle. There is no mining, but there is still coal under the ground. It has not been exhausted. Similarly, there will always be oil and natural gas, for the human mind will come up with alternatives much before these resources actually run out. And so these non-renewable sources of energy will



not be completely exhausted, ever, because the price of energy will prompt the search for substitutes.

Simon versus Ehrlich

The question of natural resource scarcity was taken up most thoroughly by Julian Simon. He studied long-term price trends and came up with a curious finding: the prices of all natural resources (indexed to wages and inflation) have been steadily falling over the past 200 years, despite the fact that during this time, the human population on the planet has more than quadrupled.

This was indeed a curious find. If the argument being doled out by those who believed that more human beings meant a strain on natural resources was true, then the prices of all natural resources should rise, not fall. But they were indeed falling, and that too, very steeply. For example, see copper prices over the past 200 years.

Copper is a widely used metal. It is available only in a finite quantity in nature. Human population has quadrupled. What explains the fall in copper prices? It is after coming up with a host of price graphs like the one above that Julian Simon came to an amazing conclusion: that more human beings mean more resources, not less.

Accordingly, in 1980, Julian Simon did something very unusual for an academic: he put his money where his mouth was and offered a

bet. Select any five natural resources and let us make a basket worth \$1,000 comprising \$200 of each resource. Then, let us take up the value of the basket in 1990 (after 10 years). If the prices rise, you win. If they fall, Julian wins.

Paul Ehrlich, author of *The Population Bomb*, accepted Julian's bet. And lost \$339. The combined basket, which was worth \$1,000 in 1980, was worth only \$661 in 1990. The five natural resources Ehrlich had selected were copper, tungsten, chrome, nickel and tin. These are all heavily used. How come their prices fell so much?

The reason is again a "conflict of visions". Ehrlich is a biologist with a simple theory: the world is made up of finite resources and if man multiplies too much, there will be less to go around. There will be shortages. Julian Simon, on the other hand, is an economist who has carefully studied long-term price trends. His vision is of a planet with abundant resources. These resources come into play only when humans use them. Thus, the more humans there are the more resources. Human beings are "the ultimate resource".

So, let us take the case of oil as a source of energy. Its prices are artificially high only because a cartel is cutting down supply; otherwise they too would fall. Is this wise on the part of OPEC (Organisation of Petroleum Exporting Countries)? For, after all, when oil prices are high, then economics is on the side

of those who search for substitutes. And sure enough, I saw fuel-cell cars on display at the Geneva Motor Show. This technology will make itself felt within a decade. General Motors has announced it will start commercial production of fuel-cells that will run offices and homes by 2006. Long before the world runs out of oil, humanity would have moved on to cheaper alternatives.

The Devil's philosophy

The population problem is the Devil's philosophy. It does not allow us to view human beings as a resource: indeed, "the ultimate resource". It promotes people to think that people are a burden, incapable of bettering their conditions without state help. The truth is quite the obverse: it is the state that is the big problem, for it is the state's unthinking policies that are keeping people poor.

It is not without reason that the population problem thesis is supported by the socialist Indian state (on the 50th anniversary of Independence, the Indian parliament passed a unanimous resolution asserting that population was India's biggest problem) and also by that club of states, the United Nations. In this way, states promote the worldview that the poor children of the Third World are the Earth's biggest problem. This draws attention away from the world's predatory states.

There is also an element of racism in this thinking: white people thinking black children are a problem, and that black people are multiplying too fast. Or, as is more common in India, rich people thinking that poor people are a problem and are multiplying too fast.

Amartya Sen, the 1998 Nobel prize-winning economist whom the Indian state honoured with its highest civilian award, is also promoting this line of thinking when he says that the poor need education from the state otherwise they will not be able to compete in the globalising world economy. Like Gunnar Myrdal before him – who also received very high honours from the Indian state—Amartya Sen seems to hold that our poor lack intellectual ability and that the state possesses it. In reality, state education is propaganda. The state itself suffers from a serious knowledge deficit if the condition of our public administration is anything to go by. The state cannot teach; it requires knowledge. And the people do not need education—"no dark sarcasm in the classroom"—for God has given them all the natural ability to trade.

What they really need is economic freedom.

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- 2 *India National Report, Habitat II, 1996*
- 3 Clark, D *op cit* p29.
- 4 I have lived in Delhi since 1969, and the first time I heard of Holimbi Kalan was when the MRTS project was announced!
- 5 A "public good" is something that cannot be priced and sold, or from whose consumption people cannot be excluded. In the old days, roads, parks and lighthouses were listed as public goods. Today, economists are more circumspect when listing "pure" public goods.
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